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## **Southeast Asia Report**

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30 November 1984

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COMMENTATOR VIEWS ANZUS DRAWBACKS IN CONTINUING DEBATE

Melbourne THE AGE in English 4 Oct 84 p 13

[Article by Kenneth Davidson]

[Text]

**I**T is difficult to get the advocates of ANZUS and the American alliance to spell out what they perceive to be the direct costs and benefits to Australia.

According to Mr Santamaria the question is largely irrelevant: "The problem with which we are dealing covers the whole of the Pacific, with a mere incident in a far wider pattern of events."

Even so, we are told that a Soviet official said in 1967 "... if we wish to control Asia we must first control Australia ..."

That may be so, but I would imagine that it would be even more important to "control" or, at least have the support of, the US in such an exercise.

But why would Russia want to "control" Asia? I would imagine that the economic excesses of the poles which are putting an intolerable burden on the hard currency reserves of Comecon would be enough of a burden on Moscow, without Russia's assuming the West's aid burden in India as well.

Russia couldn't control China and it is finding that Afghanistan, even though it is within its Kissingerian sphere of influence, is likely to become the Soviet's Vietnam.

As I have pointed out, and as I believe Mr Santamaria implicitly accepts, the new technologies of warfare make the invasion of Australia prohibitively expensive even for a superpower such as Russia, and quite impossible for any other country in the region apart from the US.

The necessary condition for a successful invasion of Australia is a secure base close to Australia. That is why what happens to PNG and what is now happening on the PNG border is of strategic interest to Australia.

Australia's interests in Papua New Guinea are not America's interests. America's strategic concern is the Lombok and Sunda straits and the free passage of its nuclear submarines through the straits to the Indian and Pacific oceans.

This means that in a clash between Indonesia and Australia over the PNG border, the US can be expected to side with Indonesia rather than Australia.

The only way Russia threatens Australia directly is by a nuclear attack. The only purpose of such a threat is the existence of bases on Australian soil and US nuclear ships or strategic B-52 bombers in Australian ports or airports, because these are part of the US nuclear threat to the USSR.

The advocates of ANZUS admit this threat, but they have not responded to a series of arguments to the effect that the alliance does not enhance Australia's security in the case of regional threats because the ANZUS alliance is superseded by the Guam Doctrine which states that countries in this region are on their own unless they are threatened by Russia.

But where do Australian interests lie? Must we continue to pretend that nothing has changed since the Vietnam war? Whether a

neutral Australia and a nuclear-free Pacific are part of a "Left-wing agenda" begs the real question: is such a policy in Australia's interests?

The case for the bases rests on their contribution to deterrence, that is, to the prevention of a nuclear war between the superpowers which might destroy the world, including our region.

I have conceded that Nurrungar and Pine Gap contribute to deterrence but, with the development of new technologies, they could also evolve into a part of a US nuclear war-fighting capability.

North-West Cape is now being used to communicate with "hunter-killer" submarines whose task is to destroy Russian nuclear submarines and thus undermine the Russian ability to deter a US nuclear attack on Russia.

Contrary to the facts, the Hawke Government maintains the fiction that the North-West Cape has a deterrent function.

According to 'Uranium, the joint facilities, disarmament and peace' authorised by the Minister for Foreign Affairs, Mr Hayden, "North-West Cape's functions are essentially limited to defensive and deterrence purposes".

The lie to this statement is implicitly given by the information counsellor of the US Embassy, Mr Stewart, who admitted that the US had about 40 "attack" class submarines in the Pacific/Indian ocean area.

His purpose was to point out that the US was simply responding to Russian power in the region: that the Russians had 90 "attack" class submarines in the region and that ALFA (titanium hulls), Oscar (cruise missiles) and Typhoon (35 per cent larger than Trident), were threatening US technical superiority.

According to the London-based International Institute for Strategic Studies, among other things:

• Only 30 of the Russian "attack"

fleet in the region are nuclear powered. The rest are diesel. The US has only five diesel submarines in its total fleet of 95 "attack" class submarines.

• Russia has never had more than 10 nuclear submarines at sea at any because they are poorly designed and engineered.

• The US has 24 Los Angeles class hunter-killers and will have 65 when the program is complete. The Russians have nothing like it. The Los Angeles class is the world's leading hunter-killer.

The anti-submarine warfare lead of the US has been described as "awesome" by the US Secretary of Navy, and "leading towards a potential first strike capability" by the Stockholm International Peace Research Institute. Mr Stewart quotes President Reagan as saying "a nuclear war cannot be won and must never be fought".

This suggests that even President Reagan might see the logic of the calls by eminent Americans such as McGeorge Bundy, George Kennan, and Robert McNamara, for America to renounce the first use of nuclear weapons to counter a non-nuclear attack.

If it is unrealistic to expect the US to defend Western Europe with nuclear weapons, it is ludicrous to expect that the US will use the threat of nuclear attack to defend Australia's interests in this region — even though the bases and strategic submarines, ship and bomber visits make Australia a nuclear target.

Americans will get on with the business of looking after their perceived interests the best way they can and without much reference to small countries like Australia, whether they are inside the alliance or not.

It is about time Australia faced up to this reality and started looking after its vital interests in the region where we have some economic and political power to project, instead of fantasising about the influence we have in Washington and Moscow.

# HAYDEN'S DIFFERENCES WITH U.S. CENTRAL AMERICAN POLICY NOTED

Sydney THE SYDNEY MORNING HERALD in English 8 Oct 84 p 10

[Article by Jenni Hewett]

[Text]

WASHINGTON, Friday: The Minister for Foreign Affairs, Mr Hayden, returns to Australia today as the bearer of a foreign policy that is sharply at odds with the United States' view of Central America.

Mr Hayden's view of Central America contradicts the Americans on five main points:

- That the Nicaraguan society is "less repressive" than he had anticipated or the Americans had described.

- That there is no credible evidence that Nicaragua is supplying substantial arms to guerrillas.

- That the Nicaraguan elections will be a "free and fair secret ballot" if carried out in the way described to him.

- That the Sandinista Government has encouraged the Opposition parties to register for the November 4 election.

- That he has not found evidence that Nicaraguan foreign policy is dictated by the Soviet bloc.

Mr Hayden's task will be to convince the Prime Minister, Mr Hawke, and the rest of the party to back him on an issue where the US position so sharply varies from his own.

The Hawke Government will have to spell out its position because the issue of Central America is certain to be frequently brought before the Security Council when Australia takes up its seat next year.

The differences in the Aus-

tralian attitude are also critical because of the abrupt American change last week on its earlier support for the Contadora pact.

Australia firmly supports the pact which proposes a series of steps to ease tensions in the region.

After Nicaragua suddenly agreed to sign the pact last week, the US immediately repudiated its former support, suggesting it made life too easy for Nicaragua without requiring sufficient concessions.

Because of the sensitivity of the issue, Mr Hayden omitted any reference to it in his address to the UN despite his recent two-week visit to the area.

Mr Hayden was careful to say he still had many criticisms of the Sandinista Government and he criticised the Americans by implication rather than directly.

The Contadora process was begun last year when Mexico, Venezuela, Colombia and Panama met to determine guidelines for peace in Central America.

The guidelines include agreements on not allowing aid, arms or territory for insurgents wishing to undermine a government, the removal of foreign military bases, negotiations on arms withdrawals and encouraging moves towards more democratic societies.

Nicaragua's decision to sign the treaty by the October 15 deadline was an embarrassing setback for the US whose advisers had apparently not appreciated this possibility.

After condemning Nicaragua for blocking the way, it is now encouraging countries like Costa Rica, El Salvador and Honduras not to sign the treaty or to demand changes.

Mr Hayden said he had declined an offer of a private briefing on arms flow by US Secretary of State, Mr Shultz, because he was not confident it would change his mind any more than the numerous private briefings he had had in Central America.

CSO: 4200/173

PACIFIC TUS TO REACT IF U.S. RETALIATES AGAINST NEW ZEALAND

Sydney THE AUSTRALIAN in English 6-7 Oct 84 p 9

[Article by Robert Keith-Reid]

[Text]

PACIFIC trade unions have agreed to take retaliatory action - as yet unspecified - against the United States if it attempts to break the New Zealand ban on nuclear ships through trade sanctions.

The unions, including the ACTU, may also impose boycotts or other retaliation against the US if it persists with a trade ban on the Solomons in retaliation for the seizure of an American fishing boat confiscated for poaching in the Solomons' 220km zone.

The executive committee of the Pacific Trade Union Forum will meet in Vanuatu in February to develop plans for such measures, according to a Fijian union official, Mr Mahendra Chaudhary.

The forum, supported by about a dozen national trade union bodies, wound up a three-day meeting in Fiji at which it passed resolutions strongly supporting the New Zealand Government's decision to close ports to nuclear ships and weapons.

The resolution was instigated by the president of the New Zealand Federation of Labour, Mr Jim Knox.

CSO: 4200/173



# WEST URGED NOT TO ABANDON AFGHAN RESISTANCE

Sydney THE AUSTRALIAN in English 2 Oct 84 p 10

[Editorial: "The West Must Not Abandon Afghanistan"]

[Text] THE coming December will bring the fifth anniversary of the Soviet military intervention in Afghanistan. The passage of time has not brought with it any sign of peace or of a reduction in the savage intensity of the warfare. Indeed, it appears from the report published in *The Australian* today, from Barry Penrose of the London Sunday Times, that the conflict is becoming even more costly in human lives and resources.

There are obvious similarities between the conduct of the Soviet military operations against the Afghan resistance and colonial wars of the past. From a military standpoint it has many characteristics in common with the more recent war waged by the United States and its allies in Vietnam.

The war against Afghanistan has sometimes been described as the Soviet Union's Vietnam. But this analogy is far from adequate.

Perhaps the most striking feature of the US role in the Vietnam War was the strong and freely-expressed opposition to the war of a wide section of the American population. The Soviet Union as a totalitarian society does not have to face the internal dissent of citizens with the right to vote and the right to demonstrate.

To this difference between the two super-powers one other factor of almost equal importance must be added. The Vietnam War was the subject of constant attention by the news media.

As well as voluminous newspaper reports there was continuous and graphic coverage by television, which brought the horrors of the fighting into millions of homes around the world. Apart from the meagre information coming from returning Soviet veterans and the relatives of those who will not return, the Soviet people remain almost totally ignorant of what is being done in their name across their southern border.

But the effects of what is virtually a news blackout are also evident throughout the rest of the world. Mr Penrose remarks that he is the first independent Western journalist to report from Kabul for nearly two years.

The result has been that the Soviet invasion of Afghanistan has faded into obscurity in a way that was impossible with the Vietnam War. It has largely ceased to be an international issue because of the effectiveness of Moscow's censorship.

The rest of the world has little appreciation of the appalling fate of Afghanistan's inhabitants. And it appears that even those politicians in the democracies, who are not at all sympathetic to the Soviet Union and are opposed to injustices elsewhere, are becoming oblivious to what is happening to the Afghans. The insight given by the war in Afghanistan into the reality behind Soviet professions of a desire for world peace has been largely lost through lack of information.

It is remarkable that President Reagan's recent speech to the United Nations General Assembly contained no reference to the invasion. It also seems that despite an increase in US aid to the Afghan resistance over the past year, the President made no mention of the Soviet invasion during his meeting with Mr Gromyko.

To some extent this is understandable. The Reagan Administration is clearly anxious to achieve some sort of agreement with the Soviets on arms limitation, not only because this would be desirable in itself but also as an answer to charges by Democratic candidates in the coming elections that Mr Reagan is unacceptably belligerent in his foreign policies.

But the abandonment of Afghanistan would be too high a price to pay. The West cannot afford to desert those who are resisting Soviet expansionism.

The crushing of the Afghans would be an outrageous denial of a nation's right to independence. When taken in conjunction with the victory in Lebanon of the Soviet Union's Syrian allies, it would mean a dangerous shift in the balance of power in a strategically vital region.

CSO: 4200/159

## PROPERTY INVESTMENT UP UNDER 'HAWKE FACTOR' STABILITY

Melbourne THE AGE in English 3 Oct 84 p 29

[Article by Barbara Hutton]

[Text]

PROPERTY INVESTMENT is surging ahead and confidence in the industry is at its highest since 1972, a building industry forum was told last week.

Mr David Gibbs, a director of several companies involved in the property market, told the Building Owners and Managers Association that consensus and the "Hawke factor" had introduced an element of stability that had not existed since Mr Harold Holt was Prime Minister, 18 years ago.

He said industrial disputes had eased and the "so far moderate" policies of the Government had been favorably received by investors.

Fears about a capital gains tax had encouraged investors to sell off major properties and put the money into property trusts, he said. Investment in unlisted trusts had grown by 47 per cent to \$3.2 billion in the last financial year and yields are falling, especially in Melbourne and Adelaide, as suitable investment property becomes scarce.

Mr Gibbs said the Australian community regarded property as the best hedge against inflation, but it was an effective hedge only when held over a long period.

Mr Gibbs said investors had forgotten that property values could fall.

He said the estate agent Richard Ellis Pty Ltd had monitored a typical institutional property portfolio of Melbourne CBD office buildings from 1970 to this year. Both rent and capital values rose

by less than inflation over the period, and the value of the buildings actually fell in 1978.

"During those seven years the CPI rose by 134 per cent but the portfolio by only 66 per cent, slightly less than half — a great inflation hedge indeed! A similar portfolio in Sydney or Brisbane might have done better, but not substantially so," Mr Gibbs said.

He said many farmers were selling their uneconomic farms and retiring to the city. "Property is what they are used to and property, directly or through a trust, is what they buy more often than not," he said.

Many city people were prepared to buy their farms as a tax shelter and for long term capital gain. "I can assure you from personal experience that it is a great way to lose what you have made elsewhere, at least in the short term." He said farming costs had risen three times more quickly than farm produce prices in the past four years. Wool prices were 70 per cent less in real terms than they were 40 years ago.

Other trends he picked out were an emerging demand for inexpensive distribution warehouses in good positions (because of a switch from Australian-made goods to imports) and a move to CBD fringe areas such as St Kilda Road, and Chatswood in Sydney. He said rents in St Kilda Road were 50 per cent lower than prime CBD rates, the biggest difference between city and city-fringe rents in the history of the area.

COMMENTARIES ANALYZE 28 SEPTEMBER ALP EXECUTIVE MEETING

## 'Victory for Hawke'

Sydney THE SYDNEY MORNING HERALD in English 1 Oct 84 p 8

[Text]

There is a nice symmetry in the fact that in the same week that the Petrov papers were released, the ALP's national executive took the historic decision to reaffiliate three right-wing unions to the party's Victorian branch. The Petrov defection played its role in precipitating the ALP's split, resulting in the exclusion of the three unions from the party. On Friday, the national executive voted to readmit the three unions and gave a wink and a nod to a fourth, the Federated Clerks' Union, which is now expected to be reaffiliated next year.

The national executive's decision was a victory for Mr Hawke, who has always supported the right of the unions to be reaffiliated with the party they support. There was, in fact, no justification for their continued exclusion. Yet the executive's decision was quite forthright, given the strong opposition to reaffiliation at the Victorian party's conference in June. In making the decision it did, the successful majority on the executive is

engaging in some precarious brinkmanship, no doubt gambling on the fact that the lead-up to the approaching Federal and Victorian elections will mute the opponents of reaffiliation. Although opposition to reaffiliation was widespread within the Victorian branch, the Socialist Left was the faction most fiercely opposed. While the Socialist Left's dominance in the Victorian branch has not been broken by reaffiliation, it has been weakened. The role of the Independent faction has been strengthened. In fact, factionalism itself has been reinforced within the party. It can be argued that increased factionalism will reduce the ALP's policy options and widen the gulfs already existing between the party's main factions.

The other main decision of the national executive on Friday was to endorse all sitting members for the coming Federal election. This decision resolved a bitter struggle between the Left and Right of the party in NSW over the endorsement of candidates for the coming Federal election. In

making its decision, the national executive accepted the argument of the NSW Right that because of the early election and the redrawn boundaries, the normal rank-and-file preselection ballots, which were strongly supported by the NSW annual conference in June, should not be held. The Right's argument can be seen as a smart move to protect its own sitting members. But there was very little justification for the NSW branch to refuse to adopt its usual and widely accepted procedures for preselection by rank and file. If there was enough time to run ballots for non-held seats, there was surely enough time to run ballots for seats already held by the ALP. The irony of the executive's decision is that the main beneficiary of the Right's argument in NSW will be the Left's Mr Stewart West, the Minister for Immigration.

The national executive's decision, which was also very forthright, raises the wider question of whether sitting ALP members will be protected in the future from preselection challenges. If this turns out to

be the case, then the party will have inflicted on itself a rigidity that might have the beneficial result of reducing factional warring in the lead-up to elections but at the cost of providing ineffectual or lazy members with a meal ticket for life.

### Dangers for Hawke

Sydney THE SYDNEY MORNING HERALD in English 1 Oct 84 p 9

[Article by Maximilian Walsh in the "Issues and Ideas" column]

#### [Text]

**P**OWER corrupts ... but not necessarily always. What does seem to be a constant feature or quality of power is addiction. A perfect case study of this proposition was provided last Friday with the meeting of the Federal Executive of the Australian Labor Party in Canberra.

Not surprisingly, its decisions were overshadowed by other events such as the revelation by Mr Kerry Packer that he was the notorious 'Goanna' referred to in reports of the Costigan commission. They should not be allowed to pass unnoticed because Friday's executive meeting was a most significant one for the ALP and, by extension, for the Hawke Government.

The executive has, through its actions on Friday, reconstituted its role in Labor politics. That the executive possessed great political power within the party has not been in dispute since it intervened in Victoria early in the seventies and a decade later in the affairs of the Queensland branch. This interventionist role has been applied quite sparingly in the past.

On Friday the executive discarded its past reluctance and turned quite aggressive. No less than four separate interventionist decisions were imposed on the State branches. The one which attracted the most attention was the decision to admit three trade unions to the Victorian branch of the ALP, despite the vehement

opposition of the supreme policy-making body of the State branch.

A much more important decision was the executive's endorsement of all sitting Members of Parliament in seats of their own choosing. Other interventionist decisions were the direction to the NSW branch that members of the Legislative Council should sit with full rights in the parliamentary Caucus as from next July and a decision which prohibits ALP members from interfering in union elections where they do not have a direct interest.

The last is, according to the Federal secretary, Bob McMullan, a reaffirmation of a long-standing policy. However, it arose out of the recent misuse of the Prime Minister's photograph in a union election.

The heat generated by that election is but a foretaste of future encounters in a trade union movement that has, through the system of factions in the Labor Party, even more leverage than it has had in the past. The resistance of the Victorian branch to the admission of three unions sympathetic to Mr Hawke's faction testifies to this.

It has long been my belief that the process whereby factions are institutionalised within the Labor Party will inflict long-term and deep damage on the party. Friday's executive meeting reinforced that view.

The decision to re-endorse all sitting members was a response to the use of faction-based numbers in

certain electorates to overthrow sitting members. One parliamentarian had already lost endorsement in Victoria, two faced defeat in Queensland and in NSW the Minister for Immigration and the one member of the Left in Cabinet, Stewart West, faced certain defeat by the son of former Labor minister Rex Connor. The pre-selection loss by Rob Chynoweth, who won Flinders from the Liberals was, it must be conceded, a monumentally stupid outcome for the Victorian ALP.

However, to proceed from that error of party judgment to a situation where the Federal executive provided job security for all sitting members was to turn an error into a disaster. It remains a truism that there are heavy costs associated with the practice of democracy but the price is worth paying because alternative systems are inferior.

The ALP has long prided itself on taking a democratic approach to its activities. Admittedly it has been a far from perfect form of democracy in practice but it has never before slipped into the form of executive autocracy which characterises Friday's decision.

It is inevitable that the electoral process works in such a way that there are regrettable sacrifices. But to seek to eliminate such episodes by providing tenure for sitting members is to both abandon principle and to bring further rigidity to a party that is in desperate need of offering the sort



of opportunities that only a fluid system can provide.

Bob Hawke is fond of saying that he leads the best Cabinet since World War II and at times he stretches it further back than that. He's fooling himself.

There is a very thin veneer of talent in the Cabinet and little depth on the backbench. The passage of time will demonstrate that. The process will be accelerated by the decision to provide all sitting members with endorsement.

Of course, it will be argued that this was a one-off situation — that the enlarging of the Parliament provided the needed infusion of new blood and that therefore sitting members should be left undisturbed. But having taken that decision once the addictive and corruptive qualities of power will undoubtedly provide excuses for similar, if not identical exercises in the future.

The pragmatism used to justify the decision is, in reality, the simple exercise of factional numbers. Each of the main decisions reached at Friday's executive was carried by 10 votes to eight, reflecting the factional lines on which executive decisions are now taken.

Such disciplined numbers advertise the way in which factions have entirely displaced ideas within the governing body of the Labor Party. This must be a cause for deep concern because the balance of power is so fine and the increasing centralisation of power in the party means that control can be exercised by a small number totally unrepresentative of the party supporters or the electorate at large.

Suppose, for example, the balance on the executive swung from a position where the Left is now in a narrow minority to where it was in

the majority. I would imagine that the stance of the Labor Party to ANZUS and the US bases would become overtly antagonistic.

The risk of this happening, of anti-ANZUS and US sentiments surfacing in the Labor Party has become much greater because of the stance taken by the New Zealand Government. Should New Zealand suffer almost certainly will in the international economic area, emotions will heat up in the ALP.

At the moment the Prime Minister, who is unapologetically pro-American in his attitudes, is armed with an official ALP policy supportive of his own instincts. With what I can see as the likely path of events in the next two years; with the NZ Labor Government grappling with enormous economic problems and little in the way of comfort and support from outside, the mood of the Labor Party will become problematical.

What we should hope for is informed and searching debate about the whole bag of issues involved in this area. At the best of times such an expectation would be difficult to fulfil.

But where you have a party formally aligned into factions where loyalty is to the faction, not to intellectual analysis, the chances of that happening are truly remote. There you can see the dangers of factions quite clearly.

Now superimposed on that concept we have a Labor executive, in what is at the moment in delicate balance and easily capable of being tilted to the Left, that has taken it on itself to impose pre-selection on party candidates. If Bob Hawke cannot hear the alarm bells now ringing he must be deaf.

## BLF TO ENTER NATIONAL AGREEMENT AFTER GOVERNMENT PRESSURE

Sydney THE AUSTRALIAN in English 4 Oct 84 pp 1, 2

[Text]

THE Builders Laborers Federation yesterday withdrew from the brink of being eliminated by federal and State governments and agreed to enter a national agreement which will significantly weaken its industrial muscle.

The union's retreat came after co-ordinated threats from the Prime Minister, Mr Hawke, and the Victorian Premier, Mr Cain, to attack the BLF through legislation unless it relented. The BLF also faced expulsion from the ACTU.

Mr Cain said the union's about-turn in agreeing to sign a two-year peace plan was a "total capitulation" and warned it faced swift action if it broke its new commitment.

All building unions are now supposedly locked into a peace plan which details procedures for settling disputes and outlaws claims for strike pay and immediate industrial action. The trade-off is an \$11 superannuation scheme funded by employers.

The BLF's general secretary, Mr Norm Gallagher, is due to sign the agreement in Melbourne today, lifting bans in four States.

Predictably, he claimed victory over the governments and the ACTU, although industry sources said no extra concessions were gained by the BLF's brinksmanship.

Mr Cain said: "We have whacked him (Mr Gallagher) when we have had to. If he comes up again, we will whack him again."

Many employers are sceptical the BLF will honor the agreement, but they, like the

governments and the ACTU, are hoping for a change of attitude by the tough union.

The industrial relations manager of the Australian Federation of Construction Contractors (AFCC), Mr Ken Lovell, said the BLF's history had shown its commitments to be "meaningless gestures".

He hoped the BLF would honor the agreement, but predicted the union would find a new issue to fight in a few months.

The ACTU said it would act to keep the BLF in line if necessary, although it believed the governments' threats to legislate against the union should be an effective stick.

The ACTU's secretary, Mr Bill Kelly, stressing the extraordinary issues surrounding the BLF controversy, said the governments' threats should not establish a precedent against trade unions.

"I would hope that the reason the BLF backed down had nothing to do with the Governments' threats or the position of the ACTU," he said.

"I would hope that the reason the BLF changed their attitude was that they rationally examined their position.

Mr Kelly admitted the moves by the ACTU and the Governments had been partly responsible for the union's decision to sign the agreement.

Finalising the agreement between all building unions and the Master Builders Federation (MBF) and the AFCC was a "momentous decision" which would improve industrial relations.

After meeting MBF representatives in Canberra, Mr Gallagher said: "We have won our point."

The MBF agreed with Mr Gallagher that employers not paying the \$11 superannuation payments would be open to industrial action, although this position has been understood for months. The peace plan only applies to employers paying the \$11.

Union and employer sources said Mr Gallagher's point was a "red herring" and a "face saver".

Mr Gallagher, who said on Tuesday the BLF would not sign the agreement, was "absolutely delighted".

"As for what the Governments want to do or the ACTU want to do, that doesn't worry me," he said.

The acting executive director of the AFCC, Mr John Murray, said about 5 per cent of employers had not agreed to the superannuation plan.

And the BLF warned its bans would be re-imposed in 14 days on employers outside the scheme.

The ACTU agreed opposing employers would not have the protection of the peace plan.

The Minister for Employment and Industrial Relations, Mr Willis, said victory was not the BLF's. He said he was annoyed with the MBF for meeting Mr Gallagher and not telling the Government ... "they were not completely straight with us".



# DEVELOPMENTS IN IRON, STEEL TRADE WITH PRC REPORTED

Brisbane THE COURIER MAIL in English 1 Oct 84 p 5

[Article by Alan Thornhill]

[Text]

**Y**ELLOW wattle blossom and the mauve flowers of the mintbush decorated the red desert landscape when Lin Hua surveyed Mount Channar, near Paraburdoo in Western Australia, a few weeks ago.

The August day was cool and the sky a deep blue.

Few outsiders know how beautiful, even exhilarating, a clear winter's day in the Pilbara can be.

Lin Hua's visit to this rocky bluff, 20 km east of Paraburdoo, could be auspicious for Australia.

For Mr Lin, Vice-Minister for Metallurgical Industry in the Government of China, is helping to assess whether the Chinese Government should launch a joint venture with Hamersley Iron, to develop a new iron ore mine there.

The Chinese authorities are thinking of mixing high grade ore, from a place like Mount Channar, with the low grade local ore, that is fed into China's steel mills.

Hamersley Iron, which cooperates the nearby Paraburdoo and Tom Price mines, is keen to see the joint venture proceed. The Mount Channar venture will not be a completely new project, if it does go ahead.

A short spur line from Mount Channar would connect the new mine into a rail link that already connects the Tom Price and Paraburdoo mines to the company's port at Dampier.

However even a development on this relatively small scale, would be the biggest project to be launched in the Pilbara for decades.

It would bring hundreds of new jobs to the region.

Mr Lin is not putting all his eggs in one basket just yet. He also stopped over at the Mount Newman project, to make similar inspections there.

The Chinese plan sounds a little unconventional to Western businessmen. The world market for

iron ore is over-supplied at present. The Chinese could easily buy all the high grade ore they need now, quite cheaply, without going to the trouble of entering a joint venture, to develop a new mine.

However, they want more than that. China plans a major expansion of its steel industry, to take its annual production from the present level of 40 million tonnes a year to 70 million tonnes by the end of the century.

We may perhaps grasp the size of this undertaking better if we remember that BHP produces just 300,000 tonnes of steel annually.

The Chinese authorities want a long term supply of high grade ore that would be reliable enough for a project of this size. They would

also welcome the experience that their own people would get working closely in a joint venture with an expert company like Hamersly Iron or Mount Newman.

A big customer, with long term objectives, is welcome in any shop.

The Senate standing committee on industry and trade, which has just studied Sino-Australian trade said: "China could become the most important market for Australian goods and services by the year 2000.

"Many of Australia's traditional markets have declined over the past 10 to 15 years and there appears to be very little prospect of Australia regaining its place in these markets.

"Australia must therefore devote more of its time and resources to the development of new markets. China is one such market," the committee said.

The report also notes that China, unlike other developing countries, is developing plans to achieve a steady and sustained rate of growth without growing too dependent on other countries.

China is still feeling its way in its plans to develop its steel industry.

It has one of the world's most modern steel mills at Baoshan, near Shanghai, built with Japanese technology. However, the Chinese are finding that their steel production at this plant is proving to be relatively expensive, at \$3000 per tonne of steel producing capacity. The Chinese au-

thorities are now planning instead, to take the cheaper course of extending their existing steel mills.

The Chinese readily admit that they lack the technological knowledge they need to achieve this.

The initiative for the close co-operation now developing between the iron and steel industries of Australia and China developed from mutual needs.

Australia needs new outlets, at present only for iron ore and steel, but also for other related products as well. Over the past few months, there have been significant shipments of both coal and manganese to China.

Mr Lin's visit to Mackay, to inspect the Dalrymple coal loader, shows that there could be further developments soon in Australia's new coal trade with China.

There are several key dates and events in the development of Australia's trade with China.

These include the Whitlam Government's decision in 1972 to recognise the Peoples Republic of China, Mr Whitlam's visit to China a year later and Malcom Fraser's visits in 1976 and 1982.

High level Chinese visitors to Australia have included those of Vice-Premier Li Xiannian in 1980 and Premier Zhao Ziyang in April 1983. Mr Hawke visited China in February this year.

Australia and China signed a trade agreement in 1973. Australia established a line of credit for China in 1979 and signed a sci-

ence and technology agreement in 1983. There has also been an agreement on agricultural co-operation between the two countries, and more recently an agreement on technical and economic co-operation in iron and steel.

In July this year, an Australian assessment team visited China, to inspect the steel industry there. The mission, led by an official of the Department of Trade, included 10 of Australia's top steel specialists.

Members of this mission will go back to China this month to present their report.

BHP and potential rival CRA, are both interested in the opportunities that expansion of China's steel industry might offer them.

However, BHP's initial reaction to Mr Hawke's talk of "integrating" the iron and steel industries of Australia and China was cool.

The company has had a tough experience in its dealings with China.

The Chinese did not renew a contract, under which BHP sold pig iron produced at its Kwinana steelworks in Western Australia, to that country.

As a result, the works closed in April 1982. It has not reopened.

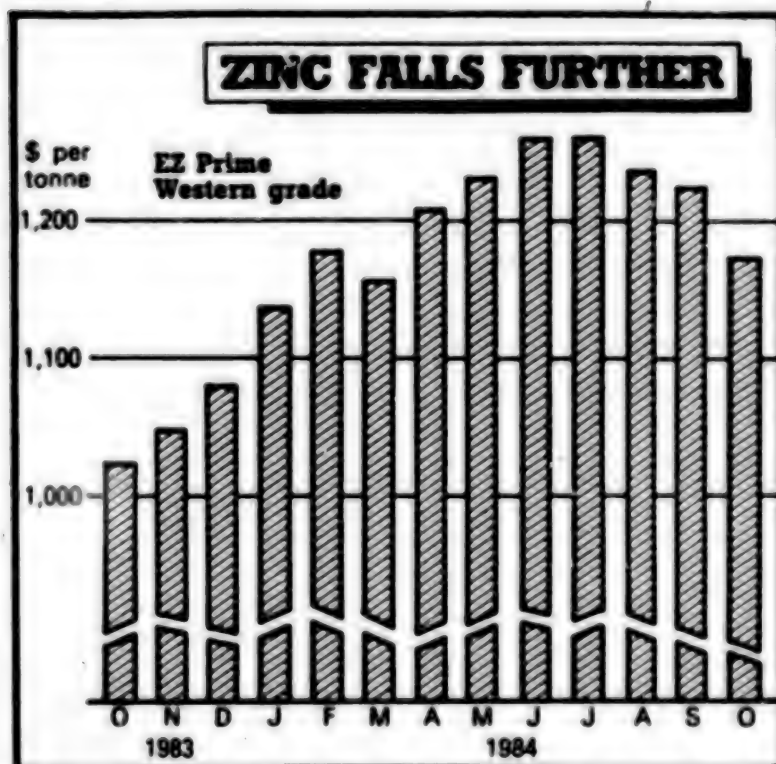
However, discussions now under way between BHP and the Chinese authorities could see the Kwinana plant re-open. Australia's trade with China has grown rapidly.

# ZINC PRICES DROP FOR THIRD STRAIGHT MONTH

Sydney THE SYDNEY MORNING HERALD in English 2 Oct 84 p 19

[Article by J. N. Pierce]

[Text]



The October reduction in EZ Industries Ltd's domestic zinc prices, signalled nearly three weeks ago by the cut in the European Producers' Price, is \$49 a tonne over all grades.

It lowers the price of prime western grade from \$1,222 to \$1,173 a tonne and marks the third successive monthly reduction from the high point of \$1,257 a tonne reached in June (see graph).

The reduction would have been greater but for a weakening in the

value of the Australian dollar against the US dollar during September.

EZ and Sulphide Corporation customarily review their domestic price structures for zinc at the beginning of each month, basing their adjustments mainly on movements in the European Producers' Price (EPP) and the \$A/\$US exchange rate.

The EPP is in turn a "consensus" price, published by the London Metal Bulletin after half a dozen or so zinc producers selling on the

European market have moved to a new level.

The last movement was a \$US50 cut to \$US940 a tonne on September 12 after no fewer than 10 producers, including EZ and the European arm of CRA's Australian Mining & Smelting, had posted reductions.

It was the third successive cut of \$US50 a tonne from the EPP's peak level of \$1,090 a tonne which held between March 30 and June 25.

The first cut on June 26 ended an impressive run-up which had taken the price in an unbroken gain from \$US750 early in 1983 and had set zinc apart from most other base metals.

The end to the dream run appears to be due to too much zinc chasing too few customers.

The price still looks vulnerable even though some producers have either cut back on production or intend to do so.

A straw in the wind was last month's tender invited by the US Mint for zinc for coinage.

The lowest bid was US\$2.37c a lb, or the equivalent of \$US934 a tonne.

# SUDHARMONO TALKS ABOUT 1987 ELECTIONS

Jakarta PELITA in Indonesian 28 Sep 84 pp 1, 8

[Article: "Master of Laws Sudharmono, General Chairman of the Central Executive Council of GOLKAR [Functional Groups political party]: Next Elections Campaign Will Not Bring Out Religious Question"]

[Text] Jakarta, PELITA--Master of Laws Sudharmono, general chairman of the Central Executive Council of GOLKAR, has declared that the forthcoming elections campaign in 1987 should not bring out religious questions, as was the case during the previous elections campaign. Rather, development programs should be raised by the various candidates, in the framework of an overall policy of development.

This was stated by Sudharmono after meeting with President Soeharto at Merdeka Palace in Jakarta on 27 September. He met the chief of state, accompanied by the other members of the GOLKAR Central Executive Council and Engr Sarwono Kusumaatmadja, the secretary general of GOLKAR. He reported to the president on plans for the celebration of the 20th anniversary of GOLKAR on 20 October.

Answering questions from reporters, Sudharmono declared that at present GOLKAR intends to discuss programs and hopefully, with the acceptance of the Pancasila [Five Principles of the Nation] as the only founding principle for the two other political forces (the PPP [Development Unity Party] and the PDI [Indonesian Democracy Party]--Editor), this should be reflected in their programs.

He said: "In a formal way we all accept the Pancasila as the single founding principle for political forces, and we hope that this will be reflected in the general elections campaign as a part of the political education of the people."

Regarding the GOLKAR symbol, the banyan tree, Sudharmono said that GOLKAR did not plan to change it during the coming elections campaign because it already reflects the Pancasila. Asked about the PPP elections symbol, the Ka'bah [part of the great mosque in Mecca, where Allah is believed to have been worshipped for the first time], Sudharmono said that this was a matter awaiting resolution. It would be considered later on in the Special Committee on the five draft political laws before Parliament.

Asked about the Jaa'miyah Nahdatul Ulama [NU--Community of Muslim Scholars], which might channel its political aspirations through GOLKAR and no longer through the PPP, Sudharmono replied, "If that's the case, GOLKAR would raise no objections."

He continued that if the NU entered GOLKAR, it was a private decision for it to make as to whether its political aspirations would be better channeled through the largest social and political force, as compared to working through another political force. He added: "We will wait and see whether in fact they intend to join GOLKAR."

#### GOLKAR Stands Alone

The general chairman of GOLKAR admitted that ABRI [the Indonesian Armed Forces] is included in the GOLKAR political family because of its social and political function in terms of its dual role of providing security for the Pancasila, democracy, and the constitution. Of course, ABRI can decide for itself the role which it will play as a force for stability and dynamism. Sudharmono said: "If ABRI is a supporter of GOLKAR, we certainly want ABRI to be closely associated with GOLKAR." He added that, of course, ABRI would not distance itself from other social and political forces.

When he was asked about the desire of the people that GOLKAR more clearly stand alone, Sudharmono strongly agreed because he had repeatedly emphasized that it was necessary for GOLKAR to stand on its own, be more firmly rooted in the hearts of the people, and be stronger in terms of its own capacities.

He also stated that this question was included in the Panca Bhakti [Five Principles of Loyalty] of GOLKAR. Paragraph 3 of the Panca Bhakti mentions the importance of the characteristic of loyalty to friends.

#### Does Not Want a Unanimous Victory

Answering a question about his expectations regarding the 1987 general elections, Sudharmono added that GOLKAR did not want a unanimous victory and had no desire to obtain 90 percent of the vote. Sudharmono considered that the recent results (of the 1982 elections--Editor) were good enough, but GOLKAR wanted no less than the 65 percent it now had, and in the future this minimum goal would be the same.

However, if the people really want GOLKAR to win a unanimous victory in the next general elections, we cannot do anything less. Sudharmono said: "Try to imagine the kind of mechanism that could be used to prevent an election result of 95 percent, because GOLKAR itself is only trying not to sink below the level of 65 percent reached during the 1982 general elections."

Sudharmono stated: "Basically, I don't want to think of GOLKAR as winning a unanimous victory, because that is called overcompensation. The important thing is for GOLKAR to work as well as it can, because we want GOLKAR to become more grown up and more deeply rooted in the hearts of the people."



GOVERNMENT WILLING TO FUND NU CONGRESS

Jakarta KOMPAS in Indonesian 27 Sep 84 p 1

[Text] If asked, the government will consider funding the NU [Muslim Scholar] congress. Munawir Sjaadali, minister of religion, told the press after his working meeting with Commission IX of the DPR [Parliament] at the DPR building in Senayan, Jakarta on Tuesday [25 September] afternoon that, "The government is just. If there are citizens who support its policies and ask for aid in a normal way, the request will be considered, because the state's money is also the people's money."

Munawir said that the NU's involvement in the PPP [United Democracy Party] is up to the NU itself. The minister's appraisal of the situation is that the NU is now like Muhammadiyah: NU members can join GOLKAR [Functional Groups Party], the PDI [Indonesian Democracy Party] or ABRI [Republic of Indonesia Armed Forces] as well as the PPP. "If the government is asked for its opinion, we will state our opinion," he added. There is no problem about a permit to hold the congress. "Go ahead and hold it when you want to," said the minister.

He thinks that mass organizations such as the NU and Muhammadiyah are important colleagues of the government. The involvement of nonformal leaders in those two mass organizations is very important in supporting development in every area.

To Be Formed

In response to a question at the working meeting led by Achmad Djoenaedi (F-KP) [expansion unknown], deputy chairman of Commission IX, the minister of religion said that a serious effort will be made to build up a cadre of mosque youth. If this is not cultivated, there can be problems. The government will cooperate with the Indonesian Council of Mosques in this effort.

Munawir reaffirmed that the government is making PANCASILA [Five Principles of the Nation] the sole principle of political organizations and mass organizations without lessening Islamic faith and devotion. For example, the mass organization bill has had input from the people; in general, the attitude of mass organizations has been positive.

"If anybody is unwilling to accept this, they're jumping to conclusions. And, if you forgive my saying so, in their understanding of religion, those who reject it are far behind the religious leaders who have accepted it," added Munawir Sjaadali. During the meeting, the minister made many off-the-record statements.

NU OFFICIAL DISAPPROVES BRANDING PPP 'INFIDEL'

Jakarta PELITA in Indonesian 24 Sep 84 pp 1, 8

[Text] H Abdurrahman Wahid, first secretary of the NU [Muslim Scholars] Advisory Council, said that he did not approve of branding the PPP [United Development Party] 'infidel' even though he himself had not joined it. "It is unethical to throw labels around like that. Besides that, there are many Muslims in the PPP," he said to PELITA in Tuban, East Java, Saturday [22 September] evening.

This NU figure, who is well-known as a columnist and is close to prominent Muslim scholars, is in Tuban to deliver a scientific paper at Sunan Giri University. On Friday [21 September] evening he and some prominent NU Muslim scholars went to meet the president at Cendana Street, Jakarta.

Abdurrahman Wahid said that there is a tendency now to throw labels and accusations around. Statements are made before the facts are examined or investigated.

"These things should be looked at closely and accuracy ensured. We are ethical; we must calculate carefully and guard against branding anyone hastily," he said.

The Problem of GOLPUT [Dissidents' Group]

In his statement to PELITA and TEMPO reporters, he also expressed his views on the possible appearance of the GOLPUT group in the coming elections.

Abdurrahman said that personally he was not in favor of GOLPUT. "GOLPUT's attitudes will only work to the advantage of a third party, especially a non-Islamic party," he said firmly.

Abdurrahman said of course NU members can join not only the PPP but other political organizations, such as GOLKAR and the PDI [Indonesian Democratic Party]. "The more NU members spread out, the better it will be, so that those who are frustrated in the PPP will not join GOLPUT," he said. He went on to say that he hoped that after the congress, NU's determination to be a purely socioreligious organization will be even clearer and that NU members will be free to channel their political aspiration wherever they wish.

He also stated that there was a "call" out for NU members to join GOLKAR. In this connection, he said, older people should not join GOLKAR. Only younger people should join. In this way, they will gain experience and in 20 years, it is hoped, they can play a role.

Abdurrahman Wahid reaffirmed NU's attitude that PANCASILA [Five Principles of the Nation] is the basic principle of the organization. This was affirmed some time ago.

GROWTH OF 17 PERCENT IN NONOIL EXPORTS IN PELITA IV SEEN

Jakarta KOMPAS in Indonesian 29 Sep 84 p 2

[Article: "By the End of Pelita IV [Fourth 5-Year Plan] the Value of Nonoil and Natural Gas Exports Will Be \$10.5 Billion"]

[Text] Ambon, KOMPAS—Minister of Trade Rachmat Saleh has stated that it is planned for nonoil and natural gas exports during the Fourth 5-Year Plan to grow at an average rate of 17 percent annually. Whereas the value of these exports at the end of the Third 5-Year Plan was \$5.1 billion, by the end of the Fourth 5-Year Plan they will amount to \$10.5 billion. To do this, it will be necessary to expand our markets and develop various forms of trade.

This was stated by Minister of Trade Rachmat Saleh in a written speech delivered by Hasan Slamet, the governor of Maluku, on the occasion of the transfer of office and installation in his duties of the chief of the Maluku Provincial Trade Office on 25 September in Ambon. I Gusti Ngurah Cahyadi, the new chief of the Provincial Trade Office, has exchanged positions with Dr Soedono Wirobumi as trade attache in the Indonesian Embassy in Bonn.

The essential question in increasing exports, according to the minister, involves ensuring an adequate and organized supply of a given commodity, of good quality, and at a competitive price. To do this, the production and distribution of goods domestically must be efficient. In the same way transportation facilities must be adequate and operate smoothly. However, of no less importance, he said, is a healthy business climate which can stimulate activity among qualified and capable exporters to make use of opportunities in the market.

Get Rid of Obstacles

He said that an increase in exports will develop smoothly if the obstacles to the production, distribution, and export of goods, which have kept our competitive capacity at a low level, can be disposed of. To do this, we must straighten out the questions of rigid and excessive licensing and administrative procedures and the collection of taxes and charges which place heavy burdens on the business world.

He said that one step which has been taken to deal with these obstacles was the elimination of 17 types of trade permits since the beginning of the Fourth 5-Year



Plan. This matter is being handled by the Ministries of Industry, Forestry, Agriculture, and Communications. Under Minister of Home Affairs Decision No 14/84, the collection of provincial taxes on 11 export commodities has been abolished.

Minister Rachmat Saleh considers that Maluku Province is an exporting area which has a rather broad variety of trade categories. In addition, there are potential export commodities with clear prospects, including cajuput oil, plywood, and fish products.

5170

CSO: 4213/39

EDITORIAL DISCUSSES STIMULATION OF INVESTMENT CLIMATE

Jakarta BUSINESS NEWS in English 24 Oct 84 pp 3, 4

[Editorial]

[Text]

The Investment Coordinating Board (BKPM) has started an offensive to stimulate capital investments. Procedural requirements have been much reduced. This board has since the beginning of the year complained about the considerable drop in the flow of investments. If this trend continues, investment targets for Repelita IV (fourth five-year plan) will not be achieved. Then how can the Indonesian economy take off in Repelita IV ?

The cause was at first sought in the change of economic policies, which has created business uncertainty. For instance, the new Income Tax Law no longer provides direct incentives for capital investments. This is owing to the philosophy underlying the new law, viz. that (income) tax should not be used as an incentive and disincentive to affect the allocation of resources. If the government is supposed to affect such a system of resource allocation, this should be achieved through the aspect of expenditure, for example by expenses borne by the state budget. This system indeed has a better logic, however, if the government and its apparatus are not yet accustomed to this new principle, it may be that the incentive is already reduced by the new income tax system, and on the other hand no new incentives are as yet channelled through budget expenses.

Theoretically it constitutes a gene

ral incentive that the new income tax rate is lower than the old one, but for most domestic companies the tax burden will increase because tax collection is to be intensified.

The shock generated by the new income tax and sales tax will gradually be waning. The same is true of the shock caused by the stringent provisions on working licences for expatriates. The latter in fact is not worth mentioning as a major policy issue. The number of expatriates working in Indonesia does not reach hundreds of thousands.

We should admit and realise that the Indonesian economy still needs external inputs, in order to raise the levels of production, investment and productivity. The spirit economic nationalism should be accompanied by a high degree of awareness of reality as well.

The investment climate is indeed still unfavourable throughout the world, possibly with the exception of the US. This is among others caused by the very high interest rate. If by the US dollar standard the prime rate is around 12% but the inflation rate has declined to about 3%, then the interest rate in real terms becomes around 9% per annum, which is very high.

As the Indonesian economy is closely linked with the international economy, with a very liberal foreign exchange regime the interest rate in Indonesia also becomes very high. To prevent this high interest from killing the desire for investments, the government can reduce the interest rate by providing subsidies. There should be no objection to such subsidies, because they are a consequence of the new income tax law, which implies that subsidy incentives are better than tax incentives.

If state banks issue long term investment credits with interest of about 19% per annum, and if the projection of inflation is (only) 10% annually, then the interest rate in real terms becomes 9% annually, the same as that abroad (which means too high). What should now be taken

into account is the domestic inflation rate, which has dropped. This on the one hand is gratifying, but another phenomenon should not be overlooked. Low inflation is often accompanied by a sluggish market, which constitutes an obstruction to new investments.

The government also wants to see a re entry of foreign capital into this country, in the form of direct investments as well as credits. Quite a lot of foreign capital actually still seeks entry into Indonesia, as long as the terms are made lenient.

Credit capital is much offered, both as general credits and as supplier's credits for the sales of capital goods. But the difficulty lies in the handling of guarantees and the risk of any change in the rupiah value. Foreign banks find it very hard to obtain proper guarantees to lessen their risk. Indonesia's banking rules do not allow it. Leasing is now adopted, which can slightly reduce this risk.

In the provision of foreign currency credits that must be converted into the rupiah, there used to be the swap facility supported by Bank Indonesia. This official swap facility is now no longer present, and the private banking system does not have the courage to fix its own rates because such rates will be too high. If the government or Bank Indonesia grants a swap facility with a low premium, it means another kind of subsidies to reduce the risk of rupiah depreciation.

Another complaint voiced by would-be foreign investors is that they find it difficult to get bonafide Indonesian partners, who are capable instead of only seizing an available opportunity. But Indonesian laws obligate the presence of Indonesian partners, with at least 20% share ownership, which should become a majority within 10 years.

Isn't the government in a position to support this entry by setting up a holding company or giving Bapindo such a function to become the first partner? This body can hold 20% shares for the

first five years while offering them to its domestic clients. If a state agency becomes the (initial) partner, foreign investors will generally feel more secure. There is an indication of government objection to this proposal. "Why should the government be again involved? The government no longer has funds and would like to step back to allow the private sector to come forward !"

Such is the dilemma in the necessity for us to stimulate investments.

CSO: 4200/172

## SPAIN INTERESTED IN MAKING INVESTMENT

Jakarta ANTARA NEWS BULLETIN in English 23 Oct 84 p A-7

[Text]

Jakarta, October 23 (ANTARA).- The 12-man Spanish trade delegation led by Jose M. Martin Aranda is interested in capital investment in Indonesia's metal and engineering industry.

Speaking to the press here Tuesday after receiving the Spanish businessmen, Achmad AZ, in charge development and promotion, the Investment Board (BKPM), said they were interested in the building of cranes for port operations, machine tools, factory equipment, electric power generating plants and high-voltage power transmission network.

The interest, according to Achmad, was highly conducive to the Indonesian government's policy of promoting the development of the metal and engineering industry to support domestic industrial enterprises.

To materialize the interest, the BKPM will give its full support by working together with the Indonesian Chamber of Commerce and Industry (Kadin) in seeking the Indonesian partners, he said.

On the occasion Achmad suggested the Spanish businessmen to establish joint ventures with Indonesian private circles as the government in the current fourth five year national development plan period (1984-1989) was giving special attention to the private sector.

The value of Spanish investments in Indonesia is at present still relatively small, and is expected to increase in the wake of the Spanish businessmen's visit.

### Technology transfer

As regards technology transfer, the Spaniards expressed their interest in technology transfer to Indonesians through joint ventures.

In this context Achmad briefed his guests on the government's policy in capital investment.

Kadin and the Spanish delegation began talks Monday to explore wider and new areas for trade and investment cooperation.

The general introductory meeting was followed by individual negotiations between businessmen of similar interests which will proceed till Friday.

The Spanish business mission represents heavy equipment manufacturing, prefabricated housing development, food industry, solar and nuclear power generating equipment suppliers, trading and consulting companies and railway and mass transport systems.

The Spanish business mission is a follow up to the visit made by Kadin's deputy chairman for foreign relations Tony Agus Ardie to Spain in March 1984.

#### Trade deficit

Indonesia's trade with Spain has always been in deficit over the last three years, sources at the trade ministry said.

The Central Bureau of Statistics meanwhile disclosed that the two way trade between the two countries increased considerably from US\$ 100.4 million in 1981 to US\$ 120.3 million in 1982 and US\$ 260 million in 1983 with a deficit for Indonesia amounting to US\$ 40 million, US\$ 66.5 million and US\$ 190 million, respectively. (TA12/J01/Q3)

CSO: 4200/172

**MOST PUBLIC WORKS PROJECTS DELAYED**

Jakarta KOMPAS in Indonesian 28 Sep 84 p 1

[Text] Eng Suyono Sosrodarsono, minister of public works, said that most of the public works projects handled by the Department of Public Works during PELITA [5-Year Plan] III had not been completed according to schedule. In fact, some of these projects had to be continued into PELITA IV.

Speaking at a working meeting of Commission V of the DPR [Parliament] led by H Muhammad Akil, BA, yesterday, the minister explained the delays as due to the problems of acquiring land and limited budgets. In addition, he said, public works projects cannot be completed in one year and must be done in stages.

As an example, he mentioned that 519 billion rupiahs, including foreign aid, was budgeted for irrigation projects during the first year of PELITA IV. Because of limited funds, however, only 431 billion rupiahs, including foreign aid, was made available in 1984-1985, only 83 percent of what was originally planned. In 1985-1986, PELITA IV's second year, 810 billion rupiahs was budgeted for the area of irrigation, an increase of 188 percent over the previous year. This amount is needed in order to reach the target set in PELITA IV. He said that he was discussing this matter with BAPPENAS [National Planning Board] and the Department of Finance.

9846  
CSO:4213/38



# MOERDANI CLARIFIES ARMED FORCES REORGANIZATION

Jakarta HARIAN UMUM AB in Indonesian 29 Sep 84 pp 1, 12

[Text] Gen L. B. Moerdani, commander in chief of ABRI [Republic of Indonesia Armed Forces], stated that the reorganization of ABRI was not intended to reduce the size of the armed forces but rather to focus on ABRI's main basic tasks. Therefore, the reorganization will not affect career paths within ABRI.

In response to a question from Rusli Desa, deputy chairman of the DPR's [Parliament's] Commission I, at a working meeting of the commission led by its deputy chairman Manaf Lubis in the DPR building yesterday in Jakarta, Moerdani said, "Reorganization is not a reduction in force. No member of ABRI will be reduced in rank."

At the beginning of his statement, Moerdani mentioned that the reorganization is also intended to restore ABRI's purely military operational mission, to improve efficiency in order to speed decisions, shorten the chain of command and make better use of personnel, and to balance its mission.

In this regard, the reorganization is to be small in quantity but high in quality. However, said Moerdani, this does not mean that ABRI has enough manpower. On the contrary, the size of its forces must be increased.

He mentioned that the reorganization includes eliminating KOWILHAN [Defense Territorial Command] and KOSTRANAS (National Strategic Command) and reducing the number of Military Region Commands (KODAM), of which there are now 16 throughout Indonesia. Naval Regions (DAERAL) and the like will also be eliminated in stages.

## Last Years

In response to a question from Rusli Desa, Moerdani stated that the need to improve the quality of ABRI personnel in the reorganization will give those who are not of high quality the opportunity to hold positions in ABRI's ranks. Moerdani said that this would not be a problem because there are members of the armed forces who realize that they will not be promoted along with their comrades.

Moerdani added that these are the last years of service of the 1945 generation of fighting men and officers, who are retiring because their period of service to ABRI is over.

"If those who must resign are complaining, we can only say to them that it's time

for you to take off your uniform," said Moerdani, adding that there is no reason to complain or cause unrest.

He stated that when the 1945 generation retires, there will be many vacancies in ABRI's ranks, to be filled by the next generation. When an old organizational structure is still upheld, even imposed, the quality of high-ranking officers cannot be expected to be high. "Such things are among the reasons behind the reorganization," he also said.

He also said that in the reorganization all KODAM commanders would have the rank of major general. Up to now only four of them have been major generals. The others have had the rank of brigadier general and colonel. Therefore, there should not be any unrest within ABRI.

A member of the commission asked about the role of POLRI [Republic of Indonesia Police]. Moerdani said that ABRI and POLRI would not be stingy in defending the public's safety. If nevertheless there still are any shortcomings, people should understand that not all members of POLRI began their careers in the law.

Moerdani said that Selective POLSEKs [Police Precincts] would be formed in response to disturbances to the KAMTIBMAS [Public Security and Order]. First priority for these Selective POLSEKs would be given to high-crime and rapidly-developing cities.

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CSO:4213/38

# BULOG SHOPS TO OPEN IN IRIAN JAYA BORDER AREA

Jakarta HARIAN UMUM AB in Indonesian 25 Sep 84 pp 1, 7

[Excerpts] Bustanil Arifin, SH [Master of Laws], minister of cooperatives and head of BULOG [Logistical Bureau], said that BULOG will help raise the level of economic prosperity in the Irian Jaya border area by opening up 12 pre-KUD [Village Cooperative Unit] cooperative shops.

After meeting with President Soeharto yesterday, Bustanil told the press in the Bina Graha [president's residence] that these shops will be upgraded to KUD status later, when managers are available. The managers, both those who have completed their educations and those who are school drop-outs, will be sent to Jayapura for training.

Bustanil said that 12 counties in the border area are lacking communications with the outside. The infrastructure does not exist yet. The local inhabitants have built an airport and their primary needs will be met through a once-a-month flight, to be run by BULOG.

He also said that their agricultural products and handicrafts will be marketed in Jayapura through these flights.

Bustanil said, "Of course, it costs money." The costs will be borne by BULOG because BULOG's job is to provide for the people's basic needs right up to the border.

The flights will mean that their produce will not be useless, and they will be able to purchase such basic necessities as farm tools, zinc, nails, etc., which will be made available in the shops.

He said that managers would come from the local people. Those who have completed their education and those who have dropped out of school will be trained for about 3 months in Jayapura and they will become KUD managers.

Another problem is that the people in the border area still need a lot of educational information.

Whatever BULOG does in the Irian Jaya border area will be reported to the president, then examined by Bustanil in February to see how these steps are being carried out and how successful they have been.

Bustanil also said that he would discuss the transportation problem with the minister of transportation and set up regular flights to the area to replace the flights run by BULOG in the coming year.

#### Transmigrants

Bustanil Arifin, who has taken the opportunity to observe the various transmigration areas in Irian Jaya, also said that they were all in excellent condition.

Their produce, such as soybeans and (Cianjur) rice, is sufficient, and he has concluded that the transmigrants in Irian Jaya have excellent prospects.

He also said that there already are cooperatives in these transmigration areas. He told of transmigrants from Blitar [East Java] who said they have moved with their entire families and did not want to go back to Java again.

The cooperatives have a mixed membership--transmigrants and local people. There are even some who have KUD electricity.

9846  
CSO:4213/38

# NEW PATTERN FOR ESTABLISHING NUCLEAR SMALLHOLDER ESTATES REPORTED

Surabaya SURABAYA POST in Indonesian 29 Sep 84 p 1

[Text] Jakarta--The government has adopted a new standard for implementing the Nuclear Smallholder Estates (PIR) program, which will make it possible for transmigrants to obtain agricultural land more easily, compared to the previous arrangements.

Engr Achmad Afandi, minister of agriculture; Sumarlin, minister of state for national development planning and chairman of BAPPENAS [National Development Planning Board]; and Engr Hasjrul Harahap, deputy minister for increasing the production of hard fibers, reported on the new standard to President Soeharto at the Bina Graha Offices on 29 September.

Minister Hasjrul Harahap, in his statement to reporters, said that the new PIR standard involved the participation of the private sector in the transmigration program.

He stated that with this standard each private company involved in agricultural development--in palm oil, for example--would be required to devote 80 percent of the land allocated to it to planting new areas which would be distributed to the farmers. The farmers referred to in this connection would be transmigrants.

The private entrepreneurs could devote 20 percent of the land they received to their own crops, while carrying out their obligation to train farmers working on newly-planted areas on cultivation techniques and purchasing the harvests from the farmers' land.

Under this program private entrepreneurs would be encouraged to invest their capital in agriculture, because the investment costs they incur would be paid back by the government after 4 years. The investment costs to be paid back would involve newly-planted areas turned over to the people.

After the 4 year period the government, which would take over the private investment in the newly planted areas, would later deal with the farmers. The farmers would obtain 2 hectare and 1 hectare parcels of land, respectively, for planting food crops and for their homes under the bank credit system.

Afandi and Hasjrul said that this new program would make it easier for the farmers because they would not be responsible for financing the cost of construction of their homes and roads. After the government awarded land ownership certificates to the farmers, they would only be responsible for the credit burden of financing the planting of their crops.

As long as the farmers worked (prior to the expiration of the 4 year period) on what would eventually become their fields, as was the custom with the previous PIR standard, they would also receive a salary.

It had been determined that the area for oil palm agricultural development would be located in Riau, Jambi, South Sumatra, and West Kalimantan provinces, and it had been decided that 300,000 hectares of land for oil palm plantations would be turned over to private entrepreneurs under the Fourth 5-Year Plan.

According to Afandi, there are already 12 private companies which have submitted requests to participate in this project, including the Astra and the Liem Sioe Liong company groups.

Afandi concluded: "Whoever opens up agricultural land, based on this PIR standard, must distribute 80 percent of the land to the farmers."

5170  
CSO: 4213/39

TRANSMIGRANT POOR LIVING CONDITIONS CAUSED BY INFERTILE LAND

Jakarta KOMPAS in Indonesian 29 Sep 84 p 2

[Article: "Department of Transmigration Admits: Transmigrants Find It Difficult to Live Properly Because Their Land Is Infertile"]

[Text] Yogyakarta, KOMPAS—New agricultural land in transmigration areas which has turned out to be not sufficiently fertile for the farmers' production purposes, has led to low levels of food production. As a result, the needs of farmers' families for a "proper" life have not been properly met.

This honest admission was made by the director general for the preparation of housing areas in the Department of Transmigration at a "Seminar on Agricultural Recovery" conducted by graduates of the Faculty of Agriculture of the University of Gadjah Mada. The meeting was intended to identify standards for determining the success of the transmigration program. It was attended by about 150 graduates in agriculture from the University of Gadjah Mada, at its Bulaksumur campus in Yogyakarta.

On that occasion Minister of Transmigration Martono pointed out that the transmigration program up to now has emphasized aspects of quantity, rather than of quality. The resettlement program in this sector can be considered a success if the families moved to other areas feel happy and well adjusted in their new places of residence. Martono stated that a question which needed to be considered was how to define the matter of happiness and proper adjustment in concrete terms.

Wardojo, deputy minister for increasing food production, said that transmigration areas are often in isolated spots far from centers of economic development. This is particularly the case if the choice of the transmigration area is based on national security considerations in border areas.

The director general of food production in the Department of Agriculture stated: "There are critically needed crop fields in a number of areas earmarked for transmigration housing." In addition there are fields which have slopes of more than 8 percent or which have been damaged in the course of improper land clearing operations, and the use of heavy equipment for raising food crops is only successful on occasion.



## Pursuing Our Targets

The target for the transmigration program during the Fourth 5-Year Plan is 750,000 households, involving about 3,750,000 people. The 1984-85 program involves resettling 125,000 households. As of 18 September 1984 37,489 households had been resettled, 16,020 of which were made up of transmigrants moving to new areas on their own.

The director general for the preparation of housing areas in the Department of Transmigration admitted that, from his point of view, a number of fields which have recently been opened up do not meet the established conditions. This is because most of the types of land in transmigration areas are dry fields sensitive to erosion, have damaged structures, or have been affected by hasty land preparation in meeting established targets. All of this has contributed to improper land preparation, and water management in tidal areas near the sea is unsatisfactory.

The problem has been worsened because the standard for transmigrant crop land, which involves developing high production capabilities, withstanding a variety of security disturbances directed from abroad, a short growing cycle, and high economic crop values, has still not been achieved. He added: "This is because other conditions have been encountered in the field." Among other things, supplies of good quality seed are not yet available, there are limits to production infrastructure, shortages of water, the capabilities of the transmigrant farmers are limited, and clear directions for the standards applicable to farmers' crops are not available.

Data regarding the characteristics of the land in each transmigration area in fact have been set out in the technical, administrative plan. However, unfortunately, the director general for land preparation in the Department of Transmigration said, not all of this data is used in an optimum way.

### Isolation of the Transmigration Areas

Deputy Minister Wardoyo placed considerable emphasis on the isolation of the transmigration areas. He thinks that this condition results in facilities which are good but which continue to make the lives of the transmigrants more difficult. On this basis Wardoyo declared that it was necessary to have a plan for the development of infrastructure before opening up the land in a new transmigration area.

Wardoyo admitted that conditions in the field are not as good as planned. Indeed, out of 67 transmigration areas "which are known," the picture is really not as good as that. Transmigrant farmers in these areas must be resettled again, the land must be rehabilitated, or other action must be taken, all of which is aimed at improving the land allocated for crops, at considerable expense.

Wardoyo pointed out that in 1980 it had been reported that the cost of developing transmigration sites was minimal. That is, about 6 or 7 percent of a package estimated at \$5,500 per household, including the cost of mobilizing the transmigrants, moving them to the new locations, settling in costs, and a planning survey.

Hasjrul Harapan, deputy minister for increasing the production of hard fibers, said that in a conceptual sense the development of estate agriculture, using the idea of the nuclear smallholder estates (PIR), contains elements which can promote transmigration by people seeking resettlement at their own expense.

#### Financing Not Adequate

The director general of food production also considered that in a quantitative sense, in terms of the resettlement of people, the transmigration program is essentially adequate. However, in a qualitative sense, particularly in terms of increasing production and the welfare of the transmigrants, the program needs to be handled more efficiently in the future. Indeed, this is true from the point of view of expanding the production of food alone. The director general of food production declared: "Both from a quantitative as well as a qualitative point of view, the results are not adequate."

According to the director general of food production, agricultural production requires an adequate developmental effort both in terms of total output as well as in terms of quality. This requires that support factors should also be adequate, and particularly financial resources. However, experience also indicates that these support factors, and particularly financial resources, which have been allocated to the director general of food production to implement the transmigration program, are not adequate. During fiscal year 1983-84, out of total funds made available to the transmigration program, or 488 billion rupiahs, the resources earmarked to the Department of Agriculture for agricultural development in the broadest sense only amounted to 33.5 billion rupiahs. This means that this allocation was only about 7 percent.

Furthermore, specifically for the development of food production the transmigration areas, on the other hand, only received 18.5 billion rupiahs or 3.8 percent of the total. From the point of view of budgetary allocations per household only 150,000 rupiahs were made available or 1.89 percent of the total.

As a general conclusion all problems involving the transmigration program, according to the team from the Faculty of Agriculture of the University of Gadjah Mada, are considered to be closely related to each other in a complex way. This is true, both in terms of the internal as well as the external situation. That is, in relationships with other government offices. To handle an organization which is so large and complex, the Faculty of Agriculture of the University of Gadjah Mada urges that a program of management by system is needed.

In the implementation of the transmigration program difficulties have emerged in the structure of the program itself, involving people, on the one hand, and raising livestock and the environment, on the other hand. Therefore, with the variety of controls in existence, the Department of Transmigration must make choices which are not very easy.

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CSO: 4213/39

## BIOGRAPHIC INFORMATION ON INDONESIAN PERSONALITIES

[Unless otherwise noted, the following information on Indonesian personalities has been extracted from Indonesian language sources published in Jakarta.]

**MAJ GEN (RET) A. ADENAN**—The post of director general for foreign social, cultural, and information affairs in the Ministry of Foreign Affairs was transferred from Maj Gen R. M. Jono Hatmodjo, the former incumbent, to Maj Gen (Ret) A. Adenan, his replacement, on 20 September at the ministry on Jalan Pejambon in Jakarta. General Adenan had previously been Indonesian ambassador to Yugoslavia and Greece. He began his career as chief of the railway station in Purwokerto [Central Java], where he served from 1943 to 1945. After the proclamation of independence he took part in the armed struggle. In 1947 he became chief of staff of Division II in Purwokerto. His diplomatic career began in 1962 when he was appointed military attache in the Indonesian Embassy in Bangkok. In 1976 Adenan had a position at the same rank as that to which he has just been appointed. At the time he served as director general of foreign security relations. In 1980 he was appointed ambassador to Yugoslavia and Greece. [Excerpt] [Jakarta KOMPAS in Indonesian 21 Sep 84 p 5] 5170

**MAJOR GENERAL SOEDARMADJI**—In the near future Major General (Police) Soedarmadji is certain to leave his present position as chief of police in East Java and take on new duties as the chief of police of Jakarta Raya, replacing Maj Gen (Pol) Dr R. Sudjoko. Meanwhile, the post of chief of police of East Java will be occupied by Brig Gen (Pol) Dr Wiek Djatmiko, who is presently chief of police of South and Southeast Sulawesi. This was stated by Gen (Pol) Anton Soedjarwo, chief of police of all Indonesia, to reporters in a statement made through Colonel (Police) Doctor Susroyo on 22 September after Gen Anton Soedjarwo had completed a 2-day inspection trip to Surabaya and vicinity. The promotion of Major General (Police) Soedarmadji, who had only been chief of police in East Java for 9 months, was based on the view among police leaders that he is an able officer and has worked successfully in handling personnel matters and in carrying out both overt and covert police operations. Many ideas originated by General Soedarmadji have been approved by Police Headquarters and later applied on a national basis. In 1954 General Soedarmadji began his career as commander of the Demonstration Company at the Mobile Brigade Training Center in Porong, East Java. Later, he was a battalion commander at the same place. Subsequently, he served as chief of staff of the Mobile Brigade in Jakarta, as commander of the West Java Mobile Brigade Regiment in Bandung and as commander of the West Sumatra and Riau Mobile Brigade

Regiment. After the latter regiment was deactivated, Soedarmadji served as assistant for operations to the West Sumatra chief of police. He was later appointed assistant for operations in South and Southeast Sulawesi in Ujungpandang and then served as inspector general in the same place. He was chief of staff of the Police Region in Irian Jaya for 1 year and chief of the Irian Jaya police force for 2 1/2 years). He then served as chief of police in Nusa Tenggara for 1 year and 9 months. On 20 December 1983 he was appointed chief of police of East Java. Only 2 months after this appointment he was promoted to the rank of major general. [Text] [Jakarta SINAR HARAPAN in Indonesian 24 Sep 84 pp 1, 12] 5170

MAJ GEN (RET) H. MISTAR TJOKROKUSUMO—Maj Gen (Ret) H. Mistar Tjokrokusumo, governor of South Kalimantan, died suddenly of unknown causes on 22 September at age 58 in his residence in Banjarmasin. The deceased left a wife and 10 children (both sons and daughters), three of whom are grown up and married. The deceased was appointed governor of South Kalimantan in 1980, and his term of office was not scheduled to end until November 1985. He was the ninth governor of South Kalimantan. He was born in Kediri [East Java] on 23 September 1926. He graduated from elementary school in Pare [East Java] in 1939, from junior high school in Kediri in 1941, and from senior high school in Surabaya in 1943. He attended the Army Staff and Command School in Bandung and obtained a bachelor's degree from the University of Pajajaran in Bandung in 1965. His military career included service from 1943 to 1945 as a member of the PETA [Defenders of the Fatherland, a Japanese-sponsored militia during the Japanese occupation of Indonesia in World War II] in Sidoarjo. Later he was a platoon commander in the BKR/TKR [People's Security Body/People's Security Army] in Sidoarjo, a company commander in Battalion 504 in Tulungagung [East Java], chief of the Operations Section of Infantry Brigade 16 in Kediri, commander of Battalion 508 in Kediri, chief of staff of Infantry Brigade 16 in Kediri, and deputy assistant for operations in Military Region VIII/Brawijaya in Malang [East Java]. After that he was commander of Infantry Brigade 16 in Kediri, commander of Military District 081 in Madiun [East Java], chief of staff of Military Region VIII/Brawijaya in Surabaya, commander of Military Region X/Lambungmangkurat, and then governor of South Kalimantan until his death. [Excerpts] [Jakarta SUARA KARYA in Indonesian 24 Sep 84 pp 1, 11] 5170

CSO: 4213/40



## BRIEFS

**COAL EXPORTS FROM OMBILIN--Padang--**Coal exports from the Ombilin coal mine from August to October this year reached 61,653,159 tons worth US\$ 2,484,100, mostly to Malaysia, Japan and South Korea. The shipment of coal from Ombilin during that period comprised 10,525,139 tons worth US\$ 500,500 to Malaysia in August, 14,009,860 tons worth US\$ 504,000 to Malaysia in September, 11,005,568 tons worth US\$ 400,000 to Japan on October 5, 10,298,367 tons worth US\$ 370,800 to South Korea on October 5, 10,271,184 tons worth US\$ 370,800 to Malaysia on October 5 and 5,543,041 tons worth US\$ 338,000 to Japan on October 5. [Text] [Jakarta BUSINESS NEWS in English 24 Oct 84 p 9]

**TRANSMIGRATION TO IRIAN JAYA--Jayapura, (Irian Jaya), Oct. 23 (ANTARA)--**About 15,400 transmigrant families are scheduled to be resettled in the Fak Fak Regency, Irian Jaya, during the current Fourth Five Year National Development Plan (Repelita IV). Data from the Irian Jaya Transmigration Office here showed Monday that 5,000 families will be resettled in the Keras Highland, 900 families in Timika 6,500 families in Bomberly and 3,000 families in Gobo. The first phase of the transmigration program is scheduled to begin next year, during which some 800 families will be resettled in the Keras Highland. A spokesman of the transmigration office said that the would-be new settlers were coming from Java and other regions. [Text] [Jakarta ANTARA NEWS BULLETIN in English 23 Oct 84 p A-1]

**SWISS ASSISTANCE FOR BUILDING POLYTECHNICS--Bandung, October 23 (ANTARA)--**Switzerland intends to help Indonesia build another 11 polytechnics in various places in Indonesia in the near future, Swiss ambassador to Indonesia Gerard Franel said. Franel broke the news to West Java Vice-Governor Ir. Suhud here Tuesday. The ambassador is currently visiting West Java. Franel said Indonesia would need more technically-skilled personnel in its current national development effort, and the Swiss government desired to help provide such qualified men. Paying a courtesy call on the vice-governor together with his press attache O. Hafner, Franel voiced his awe of the great development strides which Indonesia had achieved in giving welfare to its people. Vice-Governor Suhud appreciated the news and noted that Switzerland had contributed significantly to the provision of technical manpower for Indonesia through the politechnics it had helped Indonesia build in the past. He agreed that more personnel with technical expertise would be needed in Indonesia in the future. [Text] [Jakarta ANTARA NEWS BULLETIN in English 24 Oct 84 p A7]

## CONDITIONS IN PRK; HUN SEN REMARKS

Sydney THE SYDNEY MORNING HERALD in English 2 Oct 84 pp 14, 15

[Article by Peter Hastings]

[Excerpts]

Phnom Penh, which I left last week, has improved since I was there two years ago.

The piled heaps of rusting cars, mementos of the insane Pol Pot era, have gone, and some traffic lights now work. The broad Parisian-style boulevards are clear for the most part of rotting refuse. There are a few more cars, more bicycles, more scooters.

From the air the whole of the Mekong Delta region from the Vietnam border to Phnom Penh is for the most part a vast, brown lake. As many as 100,000 people may be homeless and up to 160,000 may be critically short of food. International aid agencies are gearing up for a big relief program.

But the Khmer population is increasing again rapidly — at 2.8 per cent or more a year. Foreign aid officials estimate the present population is about 7.3 million of which 65 per cent are women — a legacy of the war and Pol Pot.

Food remains short. According to the PRK (People's Republic of Kampuchea) Agriculture Ministry, a majority of children now under 15 face serious malnutrition.

The viability of the PRK Government, and therefore its capacity to tackle these immense problems, is of vital importance.

Assessing the regime's support and prospects are difficult. Like Vietnam, Kampuchea is a com-

munist police State. Khmers are watched. Foreigners are watched, and contact between the two except under regulated conditions strictly forbidden.

One depends in the end on experience, personal observation, on the foreign community and on those glimpses that come suddenly and unexpectedly.

The present PRK regime under Heng Samrin, despite the fact that he was one of Pol Pot's lieutenants who deserted to avoid being killed, has in fact brought peace of sorts to Kampuchea.

All that Pol Pot sought to destroy — books, religion, training, professional skills and family life — the present regime seems to permit if not encourage.

But still some of the foreign community strongly question the extent of the PRK's popularity. Others doubt the effectiveness of the administration. They tend to believe that the PRK is not so much popular as simply preferable to the coalition which most Kampuchians see as dominated by the dreaded "Polpotiens".

Still other foreigners say that if the Vietnamese, not popular but seen as protectors, withdrew, the PRK administration is now just strong enough to maintain services.

On the whole the administration does seem stronger. There are fewer Vietnamese staff in ministries, fewer Vietnamese teachers in schools and university.

Khmers are able to staff the port authority, keep trains moving (just), and keep essential city services running.

There are certainly fewer Vietnamese soldiers in the city than there were but why do they and not PRK soldiers guard the National Bank day and night?

Is it because it is the most vulnerable asset in the slowly recovering city and PRK troops are not to be trusted, or are not thought tough enough to defend it? Or is it a reminder of Vietnamese power?

Whatever the answer it points to a continuing Vietnamese anxiety over the capacity of Khmer Rouge (KR) guerillas to mount long range raids.

The day after being told that KR threats to western centres such as Siem Reap, Battambang and Pursat were propaganda, and in any case easily contained, I heard from quite impeccable sources that twelve KR terrorists had actually entered Phnom Penh itself during the Buddhist all souls day and mingled freely with the crowds until caught.

More disturbing still we were told that only three weeks before our arrival KR guerillas had successfully mined the Battambang train only 50 kilometres west of Phnom Penh, killing and injuring 49 people. The KR was after food and money.

Whether such tactics will prove counter-productive is another matter. It would be

strange if they did not. But they also raises the question of the extent to which the KR can tie down large Vietnamese forces and disrupt communications.

We had a third example of this anxiety about KR activity.

Despite several requests placed before the PRK Government months before to visit Angkor Wat we could get no satisfactory answer. We were finally told it would cost us \$6,000 for a one-day round trip of an hour or so's flight each way.

The implication was that we could not afford it. We couldn't in fact. But two French chemists visiting Phnom Penh said they would willingly pay the money for such a once-in-a-lifetime chance and that we could accompany them. Could we advance their cause? We tried and failed.

We never heard again about Angkor Wat and one inference we drew was that possibly Siem Reap, the town centre for Angkor Wat, was temporarily unsafe.

A crucial, if highly discredited figure in Kampuchean Government calculations is Prince Sihanouk. He is generally despised, even though what there was by way of a Khmer middle class, factories, schools, university, elites and "development" occurred under his idiosyncratic but comparatively benign regime.

He was a nationalist. So was Pol Pot. So is Heng Samrin. But Sihanouk kept his country out of the destructive war taking place in Vietnam and Laos for nearly 17 years.

In the end his overweening vanity betrayed him and his people.

It is a standard line in the PRK leadership that Sihanouk knew of Pol Pot's murderous nature. "How could he not," asked a minister. "Pol Pot murdered 19 of Sihanouk's children and grandchildren."

Others say he did not know until the last days but that after the Vietnamese liberated Phnom Penh in January 1979 he knew everything.

Of course he must have. The finally

inexcusable sin in PRK eyes is that in joining the coalition and giving Pol Pot respectability the prince sold his soul and betrayed his people, a second time.

Kampuchea's Foreign Minister, Mr Hun Sen, is 33. He left school at 18 with little education, about which he is very touchy, to join the "people's army", a euphemism for the KR, which he left like Heng Samrin to avoid being slaughtered in the revolution's final self-destructive phase.

He has a deep, slanting scar running from his forehead across the bridge of his nose which he received in the fighting.

In the course of a long interview he rejected point blank the notion of a United Nations-supervised elections in Kampuchea at any time, or any attempts to internationalise Angkor Wat, a move he characterised as "imperialist plotting".

All Khmers willing to denounce Pol Pot, he said, could return freely to Kampuchea to take part in elections. This included Prince Sihanouk, who would be accorded an honoured position.

"We cannot expect a prince and former head of State to become a farmer. He would remain a prince. We would treat him as one," Mr Sen said.

Prince Sihanouk however has said repeatedly that there will be no split in the coalition.

But it would not necessarily mean the end of his conscienceless support for the Khmer Rouge.

Of greater interest is the clear attempt to get him to denounce the Khmer Rouge. Such a statement would undoubtedly cause Thailand and China serious embarrassment and throw ASEAN into confusion but the prince has resisted this, tempted as he must be.

The attempt however on the part of the PRK gives rise to the unhappy suspicion that the "Polpotiens" remain a force to be reckoned with.

If that is so the Vietnamese Army will remain in Kampuchea for some years yet while Hanoi, supported by Moscow, argues with the ASEAN countries and Peking about who is to run Kampuchea.

The seven million Kampucheans in the meantime go on suffering.



## PRK, CGDK LOBBY FOR ISLAMIC FINANCIAL SUPPORT

East Burnham ARABIA: THE ISLAMIC WORLD REVIEW in English Oct 84 pp 69, 71

[Article by Anthony Davis]

[Text] The Khmer People's National Liberation Front (KPNLF) and the Armee Nationale Sihanoukiste (ANS), two factions of the tripartite Coalition Government of Democratic Kampuchea have made approaches to the Islamic Development Bank (IDB) in an effort to secure financial backing for Khmer Muslims in areas under CGDK control.

To date, however, the IDB--which has already been approached by Vietnam and the Hanoi-backed regime of Heng Samrin in Phnom Penh--has shown little inclination to support the resistance forces from Cambodia.

Cambodia's Muslim population, believed to have numbered some 700,000 prior to 1970, is currently estimated to have been reduced to between 150,000 and 190,000 following a decade of civil war, revolutionary excesses and foreign invasion. The last official census took place before the Lon Nol coupe of 1970 that deposed the then absent Prince Norodom Sihanouk and plunged the primarily rice-growing country into turmoil that continues today.

A 1981 Islamic Development Bank survey set the number of surviving Khmer Muslims at 190,000. More recent estimates by the KPNLF, based mainly along Cambodia's north-western border with Thailand, put the number of Muslims, mostly of Cham descent, at around 150,000. The more than half a million Khmer Muslims who died in the past 15 years were mostly victims of the civil war that pitted Lon Nol's US-backed republic against the Hanoi-backed Khmer Rouge, and more especially of the years of Khmer Rouge terror between 1975 and the Vietnamese invasion of 1979. Both Islam and Buddhism, the religion of Cambodia's majority, were targets of savage repression by the Beijing-backed Khmer Rouge.

A significant proportion of today's Muslim population is now living in enclaves along the Thai border controlled by the UN-recognised Coalition Government of Democratic Kampuchea. The CGDK groups the KPNLF headed by Son Sann, the ANS, loyal to Norodom Sihanouk--himself now CGDK president--and the Khmer Rouge, who now claim to have discarded communism, a disavowal viewed by most independent observers with considerable scepticism.

Since the Vietnamese army's lightning attack on Cambodia in late 1978, the Khmer Rouge has benefited from sustained resupply from their Chinese backers. It currently fields a guerrilla army of at least 30,000, making it militarily the strongest of the three coalition factions. For its part, the non-communist KPNLF numbers some 12,000 armed men, while the ANS is around 6,500 strong. The resistance is pitted against a Vietnamese expeditionary force of 160,000-170,000 strong, supported by a small army of some 30,000 conscripts raised by the Phnom Penh regime.

Some 25,000 Khmer Muslims are currently living in camps along the Thai-Cambodia border under the Front's control, according to KPNLF statistics. The Sihanoukist ANS also has a small Muslim population living close to its main border base at Tatum, opposite Thailand's Surin province. The largest Muslim communities are concentrated at the KPNLF's Nong Chan and Rithisen camps north of the Thai border town of Aranyaprathet, where Islamic schools have been established and mosques built. According to senior Front spokesmen, the number of Khmer Muslims coming to the border from the Vietnamese controlled interior of the country is steadily rising.

As of June 1982, the KPNLF has also raised one full Muslim battalion - the 702nd - based at Nong Chan. Commanded by Math Ly, a young officer in his early thirties from Siem Reap province, the unit today numbers some 400 men and forms part of the Nong Chan garrison defence force.

The first approach by the Khmer resistance to the Islamic Development Bank came earlier this year. In March, a delegation led by the KPNLF Central Committee's Alternate Delegate for External Affairs, Dr Abdulgaffar-Peangmeth, and Personal Representative to Prince Sihanouk, Lah Tol - both themselves Khmer Muslims - visited Jeddah. While in the Saudi capital, the Khmers met IDB President Dr Mohamad A. al-Hajj, headquarters of the Organisation of Islamic Conference. The following month, Muslim communities in the border camps controlled by the CGDK's two non-communist factions were visited by the IDB president's assistant, Dr Seddik Taouti. The trip across the border from Thailand into the resistance-controlled border enclaves was Taouti's second visit to Cambodia in recent years. In 1981, he headed an IDB delegation that visited

Phnom Penh at the invitation of the Vietnamese-installed Heng Samrin regime to assess the possibilities of channelling aid to Cambodia's Muslims through Phnom Penh.

To date, little appears to have emerged from the CGDK's initiative. Resistance leaders told *Arabia* that nothing concrete in terms of aid had resulted from the contacts with the IDB. "We have established contact, however. And in that sense we feel we were successful," said Abdulgaffar-Peangmeth. "We will be knocking on the door again."

The IDB approach comes at a time when the CGDK is expanding its diplomatic activities dramatically in an effort to consolidate an impressive majority it has secured at the UN in the tussle with the Heng Samrin regime for Cambodia's seat and - perhaps more importantly - to gain more sources of material support. The search for international support is of particular importance to the KPNLF and ANS, the coalition's smaller factions, in the light of the flow of weapons and supplies reaching their communist partners of the Khmer Rouge from China.

Despite the facade of unity maintained by the three factions, the Khmer Rouge is viewed by the two non-communist parties with profound suspicion and, in many cases, outright hostility. Many senior leaders of both the KPNLF and the ANS lost family members during the ferocious bloodletting of the years of Khmer Rouge rule in Cambodia and admit openly that the current anti-Vietnamese alliance is one of political and military expediency.

Increasingly worrying to non-communist members of the coalition is the growing strength of the Khmer Rouge on the battlefield. Tough, experienced and well-armed, Khmer Rouge guerrillas are now estimated to number at least 30,000. During the dry season months early this year, they mounted an offensive against Vietnamese forces which they claimed hit at six provincial capitals and seriously denied Hanoi's capacity to launch major operations against resistance bases.

By contrast, both non-communist factions remain short of arms, ammunition and supplies. The growth in their numbers that has occurred since the formation of the CGDK in mid-1982 has been the result mostly of arms supplied by China. But, as one KPNLF field commander put it: "The Khmer Rouge are being supported by the Chinese 100 per cent. By comparison, the Chinese are giving us maybe five per cent." To date, the non-communists' only

other arms supplier has been Singapore. Other Asean states, while vocal in their diplomatic support for the CGDK and harsh critics of Vietnam's presence in Cambodia, have proved less than enthusiastic over providing material support to the CGDK.

Informed CGDK sources indicate that considerable hopes for material support for the coalition government's military effort are now pinned on Egypt, one of the few countries whose envoys have formally presented their credentials to CGDK President Norodom Sihanouk on Khmer soil. Recent contacts opened in late June, with a meeting in Bangkok between CGDK prime minister (and KPNLF chief) Son Sann and Egyptian ambassador to both Thailand and the CGDK Ihab Sorour. At the end of July, Sihanouk himself made a state visit to Cairo at the invitation of President Hosni Mubarak. Believed to have been high on the agenda for discussion was the possibility of the supply of Egyptian small arms for KPNLF and ANS guerrillas.

CS0: 4200/151

## VIETNAMESE IMMIGRATION ISSUE DISCUSSED

Sydney THE AUSTRALIAN in English 27 Sep 84 p 11

[Article by Michael Richardson]

[Excerpts]

**S**OK Saroeun, alias Nguyen Hon, lives with his wife, baby daughter and several relatives in a small hut built of wood and bamboo on the edge of the Tonle Sap river on the outskirts of Kampuchea's capital, Phnom Penh.

He is one of a growing number of Vietnamese who have entered Kampuchea to settle and work since Vietnamese forces swept across the border nearly six years ago and ousted the Khmer Rouge regime. Prince Norodom Sihanouk, Kampuchea's former ruler and now president of a coalition linking the Khmer Rouge and two non-communist resistance groups which the United Nations recognises as the Government of Kampuchea, told the UN General Assembly this week that Hanoi had embarked on a deliberate policy of colonisation.

In an interview in Phnom Penh in March with a US correspondent, Vietnam's Ambassador to Kampuchea, Mr Ngo Dien, who has the rank of a deputy Foreign Minister, said there were about 70,000 Vietnamese settlers and more would probably arrive. In September 1983, the Phnom Penh Government issued a 23-page booklet on its policy towards Vietnamese residents. The booklet said that in 1982 the ruling party and the Cabinet had issued three official directives on the matter.

They covered three categories of Vietnamese who would be allowed to live and work with official permission in Kampuchea: former residents; those who had not previously resided in the country but had entered since late 1978, made a useful contribution to de-

velopment and maintained good relations with the local people; and those who "with the assistance of friends or relatives (already there) wish to move to Kampuchea to live and work or to be reunited with their families".

There is no mention of Vietnamese former residents and other settlers getting Kampuchean citizenship and one of the directives specifically stipulates that foreign residents must abide by local laws.

I was told in Phnom Penh in February by both Vietnamese and Kampuchean sources that security forces had been instructed to keep a close watch for illegal Vietnamese immigrants and that on at least one occasion in December-January there had been a mass round-up and deportation.

In one of several random interviews I did with Vietnamese living in and around Phnom Penh, Mr Sok Saroeun, 36, said he had been brought up and gone to school in Svay Rieng, one of Kampuchea's eastern provinces close to southern Vietnam. He said his parents were peasant farmers there. To prove it, he could speak Khmer fluently as well as Vietnamese. So could his wife. He said he was expelled to Vietnam in 1975 by the Khmer Rouge after they warned that no Vietnamese would be allowed to live on Kampuchean soil.

Mr Sok Saroeun, who makes a living from buying and selling ducks and chickens, said he returned to Kampuchea in 1981 because he regarded it as home and could make a better living there than in Vietnam. He said he got a residence permit from the Kampuchean authorities in 1983. Other Vietnamese living in Phnom Penh gave similar reasons.

Foreign Ministers of the Association of South-East Asian Nations (ASEAN) — Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand — said in a communique issued in Jakarta after their annual meeting in July that they "share the serious apprehension of the Kampuchean people that there are now at least half a million Vietnamese settlers in Kampuchea".

But Australian officials say that Canberra's assessment, which is that of several other Governments as well, is that about 300,000 Vietnamese, most of them former residents of Kampuchea, have settled there since 1978. They point out that this figure is well below the 500,000 Vietnamese who used to live in Kampuchea before 1970.

The Foreign Minister, Mr Hayden, told Australian journalists when he visited Thailand in July that Canberra had looked at the evidence on the "Vietnamisation of Kampuchea" but concluded that "we don't believe a case has been established". However, he said the Labor Government was keeping "a very close eye on the matter" and "should we conclude that it is a fact then we would be moving very quickly to express our concern appropriately".

One of the reasons the Australian Government is sceptical about reports from some sources that up to 1.2 million Vietnamese have been moved into Kampuchea is that such a step would be likely to inflame anti-Vietnamese feelings among the Kampuchians and strengthen support for guerrillas in the resistance movement.

CSO: 4200/151

MAHATHIR ON ATTEMPTS TO SPLIT MUSLIM COMMUNITY

BK081139 Kuala Lumpur Domestic Service in Malay 0900 GMT 8 Nov 84

[Text] Datuk Sri Dr Mahathir has said that disunity among races and Muslims in the country should be immediately overcome. The allegation by an opposition party that the United Malays National Organization [UMNO] is infidel has clearly divided the Muslims to the point that disunity is inevitable.

The prime minister made the remarks during the inauguration of a women's workshop in Kemaman, Terengganu, this morning. He said that the Pan Malaysian Islamic Party [PAS] was using religion for political purposes. The situation has gone so far that UMNO is forced to defend itself and explain the real issue. A planned UMNO-PAS debate is only aimed at knowing whether the PAS allegation is true or not. As UMNO president, he does not understand why the debate has become a target of several circles, including those calling for its cancellation. Datuk Sri Dr Mahathir said that these circles should take up the PAS allegation breaking unity of the Muslims. UMNO is able to refer responsible authorities to determine which is right.

CSO: 4213/46

VOPM RAPS BAN ON CHINESE-LANGUAGE MAGAZINES

BK060110 (Clandestine) Voice of the People of Malaysia in Malay 1230 GMT  
4 Nov 84

["News Report"]

[Excerpts] In September of this year, the Education Office in Melaka arbitrarily banned the publication of magazines in the Chinese language by some national secondary schools under the pretext that the magazines would result in racial polarization. One of the publications affected by this ruling was an annual magazine published by a Chinese-language club of a secondary school.

As soon as the ban was announced in the newspapers, there was strong reaction from Chinese cultural and education circles as well as political party leaders. The majority of people considered the reason given for banning the Chinese magazines amusing and absurd. At present, when relations among the nationalities are not progressing smoothly, such a ban will only aggravate the situation; it is like pouring oil into fire.

As a student organization, the Chinese-language club has regularly held various annual activities, with the publication of magazines in Chinese as a main activity. These activities are legal and are fully endorsed by the school administration as well as by the ruling authorities. Up to now, the school's Chinese-language club committee has always abided by existing regulations.

Viewed from the educational perspective, the publication of such magazines should have been praised instead of banned. It is ridiculous and unreasonable to say that such publications will bring about racial polarization.

The Malaysian Writers Association also issued a statement demanding that the Education Office revoke the ban immediately and endorse the publication of magazines in Chinese by these secondary schools. It also stated that the ban would lower the students' interest in learning their own language and violate the sacred right to use their mother tongue as stipulated in the constitution. Under strong public censure, Deputy Education Minister Rosemary Chong was then compelled to revoke the ban imposed by the Education Office in Melaka. She also indicated that the education minister would conduct an investigation of the incident.



The Kuala Lumpur reactionary regime has up to now implemented an oppressive and discriminatory policy in the fields of education and culture with a view to obstructing the promotion of Chinese educational and cultural programs and to finally realizing its evil intention of eliminating the Chinese culture and education.

The ban on publishing magazines in Chinese this time was not by any means a coincidence or an isolated incident. Similar incidents have taken place during the past few years, such as the prohibition against putting up billboards written in Chinese, the ban on checks written in Chinese, the ban on Chinese dances and on school entertainment activities, and other things. All these indicate that the reactionary government is persistently implementing the reactionary policy of one nationality, one language, and one culture, while accelerating its campaign of wresting from them the legitimate right of people of various nationalities to use their own languages. It is also obstructing them in performing cultural activities and developing their own cultures. It does not want to see the cultures of various nationalities in this country grow together, but instead it deliberately advocates the so-called national culture, that is to say, the so-called sole indigenous culture. This action amounts to a narrow-minded Malay chauvinism, which inevitably brings about opposition by people of various nationalities. The racial polarization, a term used by the ruling reactionary regime, would have been aggravated if the ban on publishing magazines in Chinese had been allowed to stand.

CSO: 4213/46

## BRIEFS

**PRESS WATCHDOG BODY**--Kuala Lumpur, Sun--An organisation of newspaper editors to maintain and promote Press freedom in the country was launched at a meeting here today. The chairman of the meeting, Encik Mazlan Nordin, who is the managing director of the Utusan Melayu Group, said the organisation would also act as a body to which the people could complain should they find that a newspaper had acted unfairly in publishing a news report. The organisation would function along the lines of the Press Council in Britain, Japan, India, New Zealand and several other countries. Encik Mazlan said the proposal to set up a watchdog body for the Press was not new. [Excerpt] [Kuala Lumpur NEW STRAITS TIMES in English 29 Oct 84 p 2 BK]

**OIL PRODUCTION FIGURES**--Peninsular Malaysia's oil production rose by 44 percent to 49.4 million barrels for the first 7 months of this year compared with the output for the same period of 1983. The Statistics Department reported that in July alone, production reached 7.5 million barrels--some 78,000 barrels higher than the June output. [Excerpt] [Kuala Lumpur International Service in English 0800 GMT 1 Nov 84 BK]

**TRADE SURPLUS WITH BRITAIN**--Malaysia has a trade surplus of about 42 million ringgit on bilateral trade with Britain for the first 7 months of this year. The deputy British high commissioner says that Britain's export to Malaysia amounts to 465 million ringgit, while import from Malaysia totals 507 million ringgit. More than 30 percent of the Malaysian export comprises manufactured and semi-finished products. He said that the pattern of trade is changing and this reflects the growth in Malaysia's industrial sector. [Summary] [Kuala Lumpur International Service in English 0600 GMT 5 Nov 84 BK]

**COLOMBO PLAN ASSISTANCE INCREASE**--The minister in the prime minister's department, Datuk Khalil Yacob, chairing the Colombo Plan consultative meeting held in Kuala Lumpur, disclosed that the official development assistance under the Colombo Plan increased by 2 percent to about M\$8.2 billion in 1983. This is compared with about M\$8 billion the previous year. The major portion of the aid went to 12 low income member countries, which are Afghanistan, Bangladesh, Bhutan, Laos, Maldives, Nepal, Burma, India, Indonesia, Kampuchea, Pakistan, and Sri Lanka. [Summary] [Kuala Lumpur International Service in English 0600 GMT 6 Nov 84 BK]

**BRITISH MILITARY TRAINING ASSISTANCE**--Deputy Defense Minister Datuk Abang Abai Bakar disclosed to reporters after meeting with United Kingdom's chief of defense staff, Field Marshal Sir (Edwin Donald), in Kuala Lumpur on 6 November, that the country has requested Britain to provide more places for its military officers undergoing military training under Britain's military assistance training scheme. He also disclosed that nearly half of those undergoing the annual training presently were financed by the United Kingdom. [Summary] [Kuala Lumpur International Service in English 0600 GMT 6 Nov 84 BK]

**'COMMUNIST TERRORIST' KILLED**--Pahang State Chief Minister Datuk Haji Najib Tun Razak disclosed on 6 November that a communist terrorist was killed in a clash with security forces in Bentong District of Pahang State last month. The dead communist was identified as Gooi See Peng, aged 36, of Melaka State. He was believed to be a member of the 6th Assault Unit who had clashed with the security forces in 1976. [Summary] [Kuala Lumpur International Service in English 0800 GMT 6 Nov 84 BK]

**MAHATHIR DEFENDS POLICY TOWARD BUSINESS**--The prime minister has hit out at critics who claim that the government has a tendency to regulate business. He said that, in reality, it is the businessmen, therefore, who wish for greater protection and ask for government intervention. Datuk Sri Dr Mahathir said the government has made sacrifices at great political cost to help Malaysian manufacturers. It is truly sad to banish the subsidy mentality. He gave the manufacturers an ultimatum to make good sacrifices or the government will consider reimposing the punitive tax rates on higher income that prevailed before the budget. The prime minister reminded management consultants that it is their duty to help enterprises establish good management structure and efficient management technique. He expressed regret that there are certain forces which frequently view as unjust anything the government does. [Text] [Kuala Lumpur International Service in English 0600 GMT 8 Nov 84 BK]

**BERNAMA NEWS LINE SERVICE**--The minister of information, Datuk Rais Yatim, has announced the launching of the BERNAMA [Malaysian National News Agency] news line service providing up-to-date news in a video terminal. He said the service in Bahasa Malaysia and English will be useful for hotels, banks, and business complexes. Datuk Rais was speaking at a news [briefing] at the end of his (7th) visit since becoming information minister to BERNAMA's 16-storied headquarters in Jalan Tun Razak in Kuala Lumpur. [Text] [Kuala Lumpur Domestic Service in English 1130 GMT 8 Nov 84 BK]

**BANK DIRECTORS' OUSTER URGED**--The youth wing of Malaysia's ruling party demanded the resignation of entire board of directors of the Bank of Bumiputra. The bank paid out 2,000 million ringits in bad loans to Hong Kong property developers. Mr Anwar Ibrahim, agriculture minister and leader of the United Malays National Organization's youth wing, called on the government to punish those responsible for approving the deal. The loans were made by the state-owned bank's Hong Kong subsidiary. The major developers to whom loans were made was the now-collapsed Carrian group. [Text] [Singapore Domestic Service in English 1100 GMT 14 Nov 84 BK]

COMMUNISTS SURRENDER--Three communist terrorists surrendered to the security forces while another was captured in Sarawak this year. In disclosing this in Kuching today, Deputy Defense Minister Datuk Abang Abu Bakar described this [words indistinct] major achievement in the government's efforts to eliminate communist terrorist remnants in the state. Less than 100 terrorists are reported to be still operating in the Rajang Security Command, the Rascom area. Datuk Abang Abu Bakar told newsmen the government is determined to eliminate the terrorist remnants. He said the terrorists are fighting a losing battle, and by now they should realize this. He added that it is better for them to give up their struggle. [Text] [Kuala Lumpur Domestic Service in English 1130 GMT 8 Nov 84 BK]

COMMUNIST PARTY USING VIDEOCASSETTES--The outlawed Communist Party of Malaya [CPM] is using videocassettes featuring several party members in prayers to influence the people, particularly the Malays. The videocassettes also show that the communists celebrate the fasting month festival, while other parts feature several cultural dances. Military intelligence reports have disclosed that members of the 10th regiment of the CPM, believed to have bases along the Malaysian-Thai border, are responsible for producing the cassettes. In confirming this today, Deputy Defense Minister Datuk Abang Abu Bakar said that he had watched the cassettes himself. The communists are trying to show that they are religiously devout persons with a culture similar to that of the Malays. The communists are very confident that by gaining support from the Malays, they can achieve their intention of overthrowing the present democratic government. [Text] [Kuala Lumpur Domestic Service in Malay 0900 GMT 10 Nov 84 BK]

CSO: 4213/47

## NEW CALEDONIA SITUATION CRITICAL: LINI

Christchurch THE PRESS in English 8 Oct 84 p 8

[Text]

## Port Vila

The Prime Minister, of Vanuatu the Rev. Walter Lini, said yesterday the situation in New Caledonia is explosive and almost beyond the control of the French Government.

He was commenting on the political climate in the French territory, a near neighbour of Vanuatu, when speaking to reporters after talks with the Prime Minister of New Zealand, Mr Lange.

During six hours of talks in New Caledonia on Saturday, Mr Lange canvassed views of groups both opposed to and seeking independence from French rule.

He took a 45-minute flight from Noumea, the capital of New Caledonia, yesterday morning, to meet Father Lini in Port Vila before returning to Auckland last evening.

Commenting at a press conference that Vanuatu was still concerned that the situation in New Caledonia seemed to be almost out of the control of the French Government, Father Lini said:

"We hope all the political groups in New Caledonia will be able to see a peaceful solution from the situation that is developing now."

"We hope that in our small way we will be able

to assist in whatever constructive way possible to try to help the situation not to be so explosive."

"At the moment we consider it fairly explosive."

Mr Lange extended his overseas trip to include New Caledonia and Vanuatu when the French Minister of External Affairs, Mr Claude Cheysson, asked him in New York to lead a delegation of South Pacific nations to Paris for independence talks.

Mr Lange emphasised that he went to New Caledonia, not as a mediator, but to canvass the views of the parties involved.

The sensitivity surrounding his visit was reflected in the local press and also from a news embargo placed on New Zealand reporters travelling with him.

Mr Lange's officials told reporters not to file any reports until the Prime Minister's party had departed for Vanuatu.

Commenting on the embargo, Mr Lange said "there certainly should be no flash-backing by the time we leave. It was specifically undertaken by me that this was a visit that was to be for information."

"It would be completely wrong for a politician from another country to engage in some sort of political exercise."

"Nouvelles Caledoni-

ennes," the Noumea daily newspaper, in a full page article previewing Mr Lange's talks, declared: "If, on leaving tomorrow morning, Mr David Lange thinks he has understood everything about the situation in New Caledonia, we will be quite prepared and quite happy to repay him with a crate of kiwifruit."

Noting Mr Lange had said that he did not want to be seen to be interfering in New Caledonia's affairs, the newspaper said that his visit alone constituted a type of interference.

After talks which began at noon New Zealand time on Saturday, Mr Lange said he was optimistic that a peaceful resolution could be found.

"There is the acknowledgement by all that when it comes independence will not give one ethnic group some political basis of a power elite," he said at a news conference.

"While those who are Kanak (the native population) and who yearn and strive for independence see it as their right, they have expressed the view that there will obviously be a multi-racial basis to the new New Caledonia."

Mr Lange said that apart from a group that did not want to separate from France, there was a conviction that independence was not only appropriate, but inevitable.

"The difference between the groups is that some are moving more vigorously to seize it (independence) by constitutional initiative or by flamboyant gestures."

"There are others who see independence as an inevitability, who want to keep in dialogue with the French and by a process of consultation move them on to a faster timetable."

Mr Lange said he would report back to the South Pacific forum the views he had received. The next step, if approved, would be to convene a meeting between the five forum Ministers studying the issue and representatives of the independence groups. The date and venue for such a meeting had not been decided, he said.

On the question of the timetable for independence, Mr Lange was adamant that Mr Cheysson had told him the date for a referendum on independence in New Caledonia could be brought forward from the previously announced 1989.

A Ministry spokesman had said in Paris on Thursday that the referendum would take place in 1989 as previously stated.

However, Mr Lange said that while the statute governing autonomy listed 1989, the French authorities had made it clear to him that should enough progress be made the date could be brought forward.

BULLETIN TODAY WRITER CRITICIZES MARCOS ON DEBT

Manila BULLETIN TODAY in English 17 Oct 84 p 6

[Commentary by Jesus Bigornia: "Things Will Be Worse Before Becoming Better"]

[Text]

**P**RESIDENT Marcos assures an ailing nation afflicted by a debt disease the crisis is over. Grimly, nevertheless, as the physician on the case, he prescribes a grim course of treatment: more belt tightening he describes as "sacrifices," including such cathartics as increased taxes and higher prices of commodities and services, which he, as any good doctor would have done, glossed over. "Doctor" Marcos tells how an imminent infusion of cash guaranteed by an International Monetary Fund (IMF) approval of a Philippine economic recovery program has saved the patient from extreme unction.

Critics of the Marcos regime pooh-pooh the rose-colored presidential prognosis. They claim debt re-scheduling and "new money" made possible by the IMF grant of a clean bill of health are nothing more than palliatives that do not remove the causes of the disease. They are, it is argued, nothing more than aspirin tablets which merely raise the pain threshold but do not cure the tumor in the brain causing migraines. For, they add, the debt crisis was brought upon in this country as in other less developed countries by systematic government corruption and

waste.

The President's Men — the technocrats, including Trade and Industry Minister Roberto Ongpin — are quick to point out that the looting that marked most of the huge projects funded by foreign borrowings cannot be repeated. Expenditure of foreign loans, he says, will be "closely monitored" by the lending banks. Which means that "Big Brother" will be looking over the shoulder of the Philippine government to see to it that loaned funds are spent for the purposes specified. To have adopted the drastic remedies prescribed by the opposition, like defaulting, would have precipitated economic chaos and the resulting destabilization of government, the minister says.

Since the patient has no option except to remain patient — and hopeful — he must swallow the purgative prescribed, bitter though the pill may be, keeping his fingers crossed in the hope that it will not kill him. It will be a long and hard pull, demanding the best and most selfless efforts of the both national leadership and the people as a whole before the national economy is restored to health. And, even before that the weakened patient may yet have to swallow another cathartic — the Agrava report — before national reconciliation is attained.



EDITORIAL, CARTOON ON HANDOUT 'HUMILIATION'

Quezon City ANG PAHAYAGANG MALAYA in English 18 Oct 84 p 4

[Editorial: "No Choice"]

[Text]

Because we borrowed more than what we could pay, we have placed ourselves in the unenviable and embarrassing position of a mendicant.

Since beggars cannot be choosers, we have to take what our creditors want us to do—nothing less.

To the extent that we have to give in to their dictation, we have lost our sovereignty—and with it, our feelings of national pride. (How can anyone of us now say, "Ako'y Filipino"?)

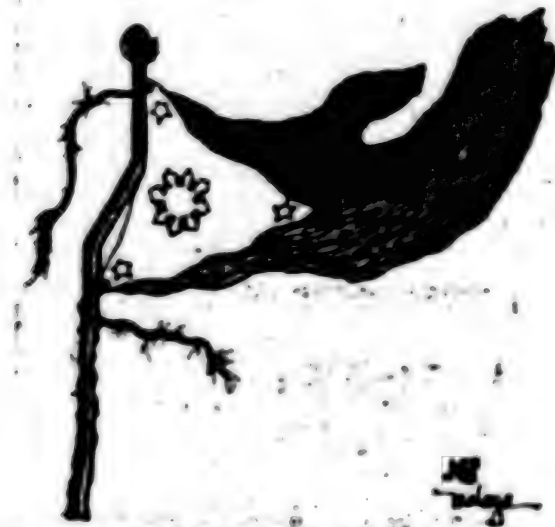
The impositions of our creditors will cause a lot of difficulties and hardships, not only for us, the present generation, but also for those who will come after us.

For no one can foretell how long the agony will last. Some say, optimistically, five years. Others, 10 years. But the more pessimistic say, 30 years. However, this is something that cannot be measured with mathematical accuracy.

We, the people, had nothing to do with the borrowings. We were never consulted. We were not asked whether we wanted those 25.6 billion dollars. Truth to tell, we do not even know how the money was spent. Or where it went. We were never informed about anything until we were told October of last year that we had gone bankrupt and had exhausted our credit.

And to compound the humiliation, our creditors discovered our Central Bank books were carrying a \$600-million overstatement, a euphemism for falsification.





Yesterday's ~~Melton~~ editorial cartoon

Now, after one year of begging, we are made to pay. Every man, woman and child. There is no escaping the responsibility which has been thrust upon our backs.

We have no choice.

It is something like what Kipling wrote:

"Ours not to reason why,

"Ours but to do and die."

CSO: 4200/133

# CENTRAL BANK CONSIDERS CONTINUED USE OF PREPAID L/C'S

Manila PHILIPPINES DAILY EXPRESS in English 18 Oct 84 p 16

[Article by George T. Nervez]

[Text]

THE Central Bank may still allow importations through pre-paid letters of credit (L/Cs) despite the lifting of major foreign exchange and trade restrictions which, among others, allowed banks to retain their foreign exchange receipts.

Importations through pre-paid L/Cs and the export deduction scheme were abolished, starting last Monday when the Monetary Board allowed 100 percent foreign exchange retention by banks.

But the CB has not closed its mind on the pre-paid L/Cs which allows importers to get their dollars from the blackmarket or other sources to finance their importations, CB sources said.

Some bankers also favor the retention of the pre-paid L/C import scheme because they believe there would not be enough dollars in the banks even with the lifting of foreign exchange controls.

Before the foreign exchange controls were lifted, most local industries practically brought in their imported raw materials and requirements through the pre-paid L/Cs. Importations through this scheme averaged about \$50 million monthly.

...

USING blackmarket dollars

through the pre-paid L/Cs could, at least, ease the expected tight foreign exchange situation, the bankers added.

The bankers said they cannot open to finance imports as long as the CB limits the amount of foreign exchange they can hold to 10 percent of their outstanding L/Cs.

The rest are supposed to be sold in the dollar trading floor.

...

"WE CANNOT comply with the new CB formula, and we cannot open new L/Cs if we are allowed to retain only 10 percent of our outstanding L/Cs," a ranking BAP member said.

"Obviously, the CB does not realize that no foreign bank will confirm our L/C unless we deposit the full amount of the letter-of-credit," he said.

It means that we have to make a full deposit before the L/Cs are confirmed, while the CB wants 90 percent of the outstanding regular L/Cs to be sold in the open market.

Moreover, the foreign banks are not willing to give clean lines to local commercial banks, until the debt restructuring and negotiations for new loans and committed trade credits are finalized.

The banks would prefer the 20 percent retention scheme instead of the new CB formula because they will have more funds to open L/Cs, the bankers said.

MALAYA REPORTAGE ON 100 MILLION PESO TAX IMPOSITIONS

Taxes to 'Bleed Us Dry'

Quezon City ANG PAHAYAGANG MALAYA in English 18 Oct 84 pp 1, 2

[Article by Larry V. Sipin]

[Text] Revenue Commissioner Ruben B. Ancheta yesterday admitted that the Bureau of Internal Revenue (BIR) has made revenue collection commitments to the International Monetary Fund (IMF) to the tune of P100 million.

He disclosed in a meeting with 94 revenue district officers (RDOs) that the bureau must collect an additional P100 million on top of the P30 billion 1984 tax collection goal between now and the end of the year.

The BIR expects to attain the additional collection targets through the intensified collection of sales taxes and the implementation of at least 10 new tax measures which took effect Oct. 15.

The revenue chief said the additional collection target is a commitment of the BIR to the IMF. The move was seen by one top business executive as meant "to bleed us dry."

Even as this developed, opposition leaders disclosed plans for a massive tax boycott.

Agapito "Butz" Aquino, brother of the late Sen. Benigno Aquino, Jr. and leader of the "parliament of the streets," said that various opposition groups will stage a nationwide tax boycott campaign to urge taxpayers not to file income tax returns next March.

Ancheta's statement is the first official confirmation that the IMF has set forth revenue collection and tax policy demands as prerequisites for the approval of the government's application for a \$630 million standby credit facility.

At the same time, Ancheta announced that the BIR aims to collect P41 billion next year, or a sizeable increase of P11 billion over this year's tax collection goal. The 1985 tax goal is also believed to have been dictated by the IMF.

The new tax measures issued Oct. 15 caught the business sector flat-footed. Many businessmen had believed that President Marcos had softened government policies on tax hikes when he repealed the controversial vehicle registration fee and travel tax PDs, but recent developments show otherwise.

In an interview, Aquino said the tax boycott will principally be a matter of asking the people if they are contented with the prevailing conditions. If they are happy, they should pay their taxes, but if they are not, we will urge them not to pay, he said.

If Aquino's plan gets popular support, the government may not be able to achieve next year's tax collection goals.

The millions of supporters and sympathizers of militant multi-sectoral groups like the August Twenty One Movement (ATOM) and the Coalition of Concerned Transport Organizations (CCTO) and political opposition groups like Unido and Laban can effectively derail the government's tax collection efforts if they support Aquino's proposal, observers said.

A tax lawyer, however, said that the tax boycott proponents may find themselves in hot water if they implement the plan because their move would constitute an act of economic sabotage.

In his meeting with the RDOs, Ancheta stressed the need to collect more taxes "to help in the country's economic program". He appealed to the RDOs "not to play politics and to be more efficient and honest in the assessment and collection of taxes."

He warned that he will not tolerate abuses or dishonesty. "So far, I have adhered strictly to civil service rules in going after dishonest revenue personnel but if the situation warrants, I will be forced to take drastic action," he said.

It will be recalled that President Marcos ordered Ancheta to purge the revenue office of misfits four months back. The order, however, resulted in only a few reprimands and some "token" investigations."

#### Bloodiest Day in Tax History

Quezon City ANG PAHAYAGANG MALAYA in English 18 Oct 84 pp 3, 6

[Article by Larry V. Sipin]

[Text] October 15, 1984 will go down as the bloodiest tax day in the history of Philippine taxation.

In one fell swoop, the government slapped 10 new tax measures affecting various business establishments and millions of consumers in a move which succeeding administrations will find hard to equal, much less surpass.

And the tax experts are thinking up new impositions.

Targets of the new tax measures are:

--Proprietors and operators of rope factories, sugar centrals and mills, coconut oil mills, cassava mills, and dessicated coconut factories who must now pay the equivalent of three per cent of the gross value of the products they process, including by-products derived from the use of raw materials;

--Contractors, operators or proprietors of various enterprises, who have been slapped a four per cent contractors' tax on their gross receipts. These include, among others, mines, dockyards, industrial plants, loggers, motor service plants, repair shops, parking lots, tailors, dress shops, beauty parlors, printing presses, publishing firms, warehouses, massage clinics and funeral parlors;

--Hotel and motel owners, including pension houses, resthouses and resorts, who suffered an additional 12 per cent levy on gross receipts derived from room occupancy;

--Restaurant owners, who must now remit as additional taxes four per cent of their gross earnings on food and 8 per cent on liquor;

--Bus and other mass transport and cargo operators who shall shoulder the added burden of paying taxes equivalent to three per cent of their quarterly gross earnings;

--Theater owners and stock, real estate, commercial and customs brokers who have been assessed a three per cent tax on their gross receipts;

--Securities dealers, who have been ordered to pay taxes equivalent to six per cent of their gross income;

--Breweries, who must now pay additional taxes with the imposition of an ad valorem tax on beer in addition to the specific tax already levied. The ad valorem tax shall be based on the wholesale price of beer manufacturers;

--Banks, investment houses, financing companies, and foreign exchange dealers who have been imposed an additional one per cent tax on the gross value of funds they transact;

--Bank depositors and investors in deposit substitutes who shall be taxed the equivalent of 15 per cent on income derived from interests on yield on investments;

--Match manufacturers, who now shoulder the burden of an ad valorem tax to be computed on the basis of their gross selling or wholesale prices;

--Dealers of artificial sweetening products whose tax duties on raw materials have been increased from P75 per kilogram to P127 for the same volume;

--Insurance companies, including their agents, who have been assessed to pay a tax of six per cent from the total premiums collected;

--Operators of amusement places such as cockpits, cabarets, night clubs, boxing arenas, sports complexes, bowling alleys, Jai-Alai, and race tracks who shall pay amusement taxes ranging from 8 to 30 per cent of their gross earnings;

--Winners of horse races or Jai-Alai, who shall be made to share with the government 15 per cent of their winnings or dividends;

--Various business enterprises whose tax exemption privileges were scrapped by virtue of Presidential Decree No. 1955. Firms registered with the Board of Investments and the Export Processing Zone Authority shall, however, continue to enjoy tax exemption privileges;

--People requiring legal documents who must now pay more for documentary stamps.

Even as the new taxes were slapped, it was learned that revenue officials are preparing other new tax measures to support the government's revenue projections.

Several business quarters, however, are said to be preparing position papers against the new taxes which they feel are onerous in the light of depressed market conditions.

CSO: 4200/133



## BULLETIN TODAY WRITER URGES SALVADORAN EXAMPLE OF TALKS

Manila BULLETIN TODAY in English 18 Oct 84 p 4

[Article by Apolonio Batalla]

[Text]

**T**HERE are lessons to be learned from the first big step taken together by the government of El Salvador and the guerrillas toward the restoration of peace in that war-torn country.

One of them, of course, is that even a civil war that has caused the deaths of thousands of people can be ended, not by the victory of one side, but by amicable settlement.

The civil war has raged for about five years, but it has been shown that despite the bad blood it has created among the partisans the spirit of compromise survived.

That spirit apparently did not die down even though the government's anti-guerrilla campaign was being sustained and strengthened by American assistance.

Another lesson is in a domestic conflict the mediation of the Church can be invaluable. The news reports the other day said the historic meeting between government and guerrilla leaders took place in a church and that the joint statement issued after the conference was read by the Archbishop of El Salvador. The reports also stated that the Church would be the mediator in the peace process.

Still another lesson is that a fratricidal conflict can be resolved by compromise regardless of the

degree of enlightenment of the population. The literacy rate of El Salvador is about 50 percent.

This is significant on account of the theory that mutual understanding is achieved easier if the population is well-educated.

The emerging picture in the Central American country also shows that in the resolution of a civil war the Latin temperament can be irrelevant.

It has also been shown that foreign military assistance extended by a foreign government to the government of the country in strife does not preclude the latter from seeking a peaceful solution to the conflict.

The conclusions are impelled by the similarities between the El Salvadoran and Philippine situations.

Like that of El Salvador, the Philippine conflict has been going on for quite a time and in the course of the struggle thousands of people have perished.

As in El Salvador, the Philippine Church has been actively seeking reconciliation.

Like the El Salvadorans, Filipinos have the Latin temperament.

As in El Salvador, the roots of the Philippine conflict are in the poverty of the masses and the highly unequal distribution of wealth.

But there are also dissimilar-

ities. The Philippine rebellion has not attained the status of a civil war. The guerrillas in El Salvador control a relatively big piece of real estate.

Another difference is the Filipino rebels are more ideologically inclined.

Still another is the Philippines has a much higher rate of literacy. This can be a factor for ending the conflict, if it is utilized as such.

The rebellion here cannot possibly be ended if the government and the rebels continue to hold on to inflexible positions. When an economy is in distress, inflexibility has a more telling effect on the government because it has to spend less on defense. On the other hand, the rebels can live off the soil.

If the conflict is to be ended, the government should learn to use the good offices of the Church because it is influential in the grass roots. If the Church cannot influence the rebels, it can affect the thinking of those who sympathize with the rebels, and that means a lot.

We think the strategy should be reviewed. Some countries, such as Argentina and Thailand, have resolved their conflicts, and others, such as El Salvador, are on the way to peace.

The Philippines is being left behind.

SIX ZAMBOANGA FARMERS PUBLICLY EXECUTED BY SUSPECTED REBELS

Manila BULLETIN TODAY in English 17 Oct 84 p 8

[Article by Tony Rimando]

[Text]

PAGADIAN CITY  
— Six Zamboanga del Sur farmers were executed in public last Sunday by a group of 10 heavily-armed men believed to be rebels in the mountain village of Tisom-pongan, Midsalip town, it was learned here yesterday.

Meanwhile, two Army soldiers reportedly engaged in a shootout yesterday in Dumingag town resulting in the killing of one and the wounding of the other.

Col. Romeo Abendan, PC-INP commander, identified the slain farmers as Eleuterio Laurecio, 28; Jimmy Navida, 43; Roel Umandam, 36; Victor Montemayor, 34; Edito

Paruhinog, 45; and Rodrigo Salvador, 40.

Abendan reported to Col. Carlos Aguilar, acting PC regional commander, that the dissidents all wearing fatigue uniforms, picked up the farmers one by one from their respective houses in the late afternoon.

The farmers were taken to the barangay hall where they were hogtied and then gunned down by the rebels who were armed with M-16 Armalite rifles.

All died on the spot.

Killed in the Dumingag shootout was Army trainee Jovito Abing, 23, of the 8th Infantry battalion.

CSO: 4200/133

# OPPOSITION COLUMNIST REJECTS CARDINAL SIN'S SOLUTIONS

Davao City PEOPLE'S DAILY FORUM in English 14 Oct 84 p 5

[Article by Ninez Cacho-Olivares in the "My Cup of Tea" column: "Purple Teachings"]

[Text]

Generally, usually and most of the time, I feel that Jaime Cardinal Sin confuses more than he clarifies.

For instance, during last Sunday's mass, as reported by the local press, the Cardinal delivered a message of peace, love, forgiveness and reconciliation. He was quoted as saying: "The sharing of the eucharistic bread, the turning to a mother — these are the solutions of Christ and the Blessed Virgin Mary in the face of man's most serious problems. Not hatred and violence, but a communion feast."

Anyone who has gone through a convent-school education knows that, for the entire duration of that Catholic education, the good nuns never failed to inject the power of prayer and communion, devotion to Christ and His most powerful intercessor, Mary, His Mother, in their teachings.

I have nothing against novenas and devotions to all the saints in the Catholic heaven. Neither do I believe that hatred, violence and the desire to inflict injury upon the humanity of an adversary are the solutions to our personal and national ills.

At the same time, the con-

troversial Maharishi Mahesh Yogi's disciples also tell people that the solution to all our ills and problems can be solved through transcendental meditation. Just what difference can there be in the two ways of seeking solutions to problems that plague a nation? My personal view is that both are not the solutions.

But if we are to take the Cardinal's version of Christ's solutions in the face of man's most serious problems, i.e., breaking bread with Christ and praying to His Mother, man's most serious problems may just become more serious.

To illustrate, nuns and priests at Mendiola were praying the rosary. They, along with many others, partook of the eucharist-

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ic bread. Did those solutions of Christ and Mary work for them? Weren't they chased, clubbed and hurt during the dispersal operations?

The Christian "reward" that they got was that some were perhaps canonized in the early morning hours, not by the Church, but by the powerful

water cannons.

I wonder what would have happened to the peasants of Alagamar, in the northeast of Brazil, if they followed the solutions of Christ and Mary as propounded by the good Cardinal?

Trouble for the peasants started when big companies started eyeing the land for their own business. There was resistance from the peasants and this in turn incurred the ire of the powerful "landowner" who brought his private army to destroy the peasant's chapel — a message that more destruction awaited them if the peasants resisted the "owner."

An archbishop, Jose Maria Pires, was on the side of the peasants. He celebrated mass in the ruins of the chapel. Because of continued non-violent resistance, the repression started. Police subjected the peasants to interrogation, branded them as subversives and some were arrested. But the other peasants were united. Together, they trooped to jail and filled up the home of the judge. In the end, all were sent home, including the peasant prisoners.

They continued to till the land, planting manioc, and watched helplessly as the harvest of their hard labor was destroyed by the powerful men. The archbishop came again, saw the destruction and urged the people to support the peasants in their fight for justice.

Even that was not enough. More destruction followed. Livestock was let loose where the peasants toiled. Tear gas was utilized and many peasants were

hurt. To restore peace and order, cattle was let loose again. The military stepped in and peasants were not allowed entry into their area of work, which was their land.

Archbishop Jose Maria Pires, joined in by two other bishops, came to the peasant's rescue. They entered the restricted area on horseback and drove the cattle away.

The peasants were given more land as a means to subdue them, but the peasants, more united than ever and taking the path of non-violence, decided to continue with their struggle and asked for all the land that rightfully was theirs.

Had Archbishop Jose Maria Pires told the Alagamar peasants to seek Christ's and Mary's solutions to their ills and their most serious problems and for them to take the eucharistic bread and to pray novenas, it is doubtful that the peasants would have had any measure of success in their struggle against injustice.

While the good Archbishop of Manila did call on other sectors of society to support the parliament of the streets, he also mentioned, during a televised interview, that he would not be marching with the multi-sectoral group. He did not as expected.

But this is understandable. Jaime Cardinal Sin and Archbishop Jose Maria Pires are two different personalities.

Besides, the good Cardinal probably does not know how to ride a horse.

BACOLOD CLERGY ASSURE SIN OF 'ALL-OUT SUPPORT' IN OPPOSITION

Quezon City ANG PAHAYAGANG MALAYA in English 18 Oct 84 pp 1, 8

[Text]

Jaime Cardinal Sin's call for the "strengthening of the parliament of the streets" to press for the resignation of President Marcos gains more steam as pledges of all-out support reached his offices yesterday.

Some 90 priests and nuns from all over Bacolod have assured Cardinal Sin of their "all-out support" as they urged all sectors of the Philippine society to join the parliament of the streets "to put an end to violence and authoritarianism."

In a message sent to the Cardinal, the members of the clergy and religious in the Diocese of Bacolod denounced alleged violations of human rights as "always displeasing and insulting to God."

The message was conveyed to Cardinal Sin by Bacolod Bishop Antonio Y. Fortich.

Signatories of the letter said they always believed in the capacity of the people to resist the evil of dictatorship, and in the power of the poor to become bearers of a truly just, free, and democratic society.

"We also join our collective voice in a rousing cry for the safeguarding of the people's right to peaceably assemble for redress of grievances and in upholding the value of freedom of expression," they said.

Earlier, the Promotion of Church People's Rights issued a statement supporting Sin's call for strengthened protest movement. It said that all Filipinos, Christians and non-Christians alike, must unify to denounce the state of violence of the Marcos regime.

Sin repeated his call for more support to protest movements in a homily delivered at a mass he officiated at the Sto. Domingo church in Quezon City last Oct. 7 in observance of the feast of Our Lady of the Holy Rosary.

The mass, attended by thousands of devotees, preceded a multi-sectoral rally at the Welcome Rotonda where some 35,000 protesters assailed the Marcos regime and called for political and economic reforms in the country.

Sin's outspoken endorsement of protest actions drew a warning from the President, saying he may be "fanning the flames of rebellion."

KALAGAN TRIBES DENY OPPOSITION TO MINISTRY MERGER

Davao City PEOPLE'S DAILY FORUM in English 16 Oct 84 pp 1, 2

[Article by Flor Colina]

[Text] The Kalagan tribes of the Muslim Community in Davao City and provinces denied reports published by a local newspaper (not People's Daily Forum) that they opposed the merger of the Ministry of Muslim Affairs and Panamin.

The denial was jointly made by Kalagan leaders who further denied that there was a meeting attended by them during the arrival of Minister Simeon Datumanong here in Davao City two weeks ago.

Among the Kalagan leaders who made a public statement of denial were Councilor Hadji Abdurahman Lamanan of Pantukan, Davao; Hadji Kahar Macusang, Assistant Director of Madrasah Administrator for Davao provinces; Hadji Akbar Porza, president and chairman, Federation of Arabic Madaris and president of Giom'iyatul Islamia Davao; Datu Marcelino Escobar of Davao del Norte, former rebel commanders--Bobby Mohammad, Amadon Tagwalan, Ustadz Abdullah Sawat, Director of the Ustadzes of the three provinces of Davao.

The Kalagan leaders appealed to all Muslims to help the present administration and all national leaders in the dissemination of vital informations especially on the rationale of the OMACC and Panamin merger. They pointed out that responsible and positive attitude and opinions of the public are the only important factors to achieve progress and development of our society.

According to Hadji Akbar Porza, the Kalagans have been always looking forward for the ultimate realization for the success in the merger of the cultural minorities throughout the country.

Meanwhile, OMACC Minister Simeon Datumanong expressed his gratitude to all cultural community leaders in Davao City and provinces for their support to his administration, although the full operation of OMACC-Davao office is yet to be finalized, he already assured for the socio-economic upliftment of all cultural minorities.

During the conference called by Minister Datumanong in Davao City, tribal leaders of the Non-Muslim cultural communities pledged and committed full support to the OMACC Minister. The Minister appealed to all members of the cultural minorities to unite and solidify their efforts to counteract the present economic crisis and social unrest.



NEW VIGILANTES WARN ABUSIVE NPA, BMA, AFP

Bills Itself People's Liberation Organization

Davao City PEOPLE'S DAILY FORUM in English 16 Oct 84 pp 1, 8

[Text] An alleged vigilantes group, who call themselves as the People's Liberation Organization Armed Forces of Justice, have warned that it described as abusive members of the Armed Forces of the Philippines, the Bangsa Moro Army and the New People's Army.

The new vigilantes group headed by Kapitan Inggo (obviously a pseudo name) of the office of the chairman of the alleged Armed Forces of Justice, said they will summarily execute soldiers, dissidents and Muslim rebels who continue to oppress the people.

The new vigilantes, however, did not explain how they will execute them but they served notice that those who resort to killing civilians will be executed immediately by the "Armed Forces of Justice after they are presented before the aggrieved families of their victims of salvagings, liquidations or death missions.

The group also said that they are going to destroy companies or firms supporting communism in Davao city and elsewhere in the region (XI).

The people's liberation organization (PLO) also said that they are against drug pushers, marijuana planters, prostitutes and grafters and corrupt men in government.

The PLO said that they will accept death for their mission, but they will never accept communism. The new group, which is obviously against all flags, has manifested their stand in a statement sent to all newspapers, businesses and companies here.

They said nobody have incited them to fight the communists but they are going to fight subversion and military abuses for the sake of their religion and faith.

The letters were signed by Kapitan Inggo who did not state his background or where their new army is based and how many soldiers they have.

The PLO has been described as a "fourth force" if in case they really meant what they claim although some did not also discount the possibility that its leader might be just another "joker."

### Striking Workers Picked Up

Davao City PEOPLE'S DAILY FORUM in English 17 Oct 84 pp 1, 10

[Article by Bong S. Dizon and Jonathan Santes]

[Text] Seven workers of Lapanday Development Corporation (LADECO) in Barangay Mandug were picked up in their residences by unidentified armed men in uniforms at dawn yesterday.

This was disclosed today by the Task Force Detainees (TFDP) and Citizen's Council for Justice and Peace (CCJP).

The raid was staged at about 4 o'clock in the morning by 11 armed group.

The arrested workers of the banana plantation were identified as: Jun Quibral, Luceno Magadan, Fruto Cagas, Agustin Ceballos, Lito Alvarado, Miguel Banados and Jose Gumalawen. They were arrested one at a time in their respected houses.

Relatives of the workers believed that the armed men are members of the so-called Philippine Liberation Organization (PLO), allegedly a vigilant group which is out to punish individuals who oppress the people.

The vigilantes allegedly headed by a certain Commander Inggo would execute erring soldiers, lawless elements and subversives who try to harm people. However, the identity of the PLO could not be established.

The group reportedly declared an anti-communist stand saying that it will fight subversion in line with its religious belief.

Relatives of the workers said that the PLO had set a dialogue with the LADECO management and the banana workers union at 8 a.m., but it was aborted due to the failure of Commander Inggo or his representatives to show up at the venue.

Instead of the PLO men, about one platoon of military men with armed personnel carrier arrived at the vicinity of the plantation's packing house, witnesses said.

The arrival of the military-men might have pre-empted the dialogue.

Mandug is the same barangay where labor leaders Joel Maglungso and Dominador Montero of the militant Nagkahiusang Mamuno sa Mindanaw (NAMAHDIN) were arrested during a raid conducted by PC soldiers and militiamen. The labor leaders' release was one of the demands of the recent transport strike.

According to TFDP and CCJP, most of the arrested workers were vocal in their stand on the release of the labor leaders. The TFDP and CCJP has been conducting an investigation on the incident.

#### PLO Releases Strikers

Davao City PEOPLE'S DAILY FORUM in English 18 Oct 84 p 10

[Article by Bong S. Dixon and Jonathan Santes]

[Text] The seven workers who were arrested by unidentified armed men in uniform were ordered released yesterday morning by a certain "Kapitan Inggo" of the People's Liberation Organization (PLO).

The banana workers of the Lapanday Development Corporation (LADECO) in Mandug who were set free after they were picked up by armed men in Sitio Uyon II the other day are: Pruto Cagas; Agustin Ceballos; Luceno Magadan; Julieta Alvarado; David Quebral; Jose Gumalaven; and Gusino Bunados.

The PLO order bears the letterhead: "People's Liberation Organization; Armed Forces of Justice; Office of the Chairman."

Kapitan "Inggo" directed to "release the captured immediately at the most secured area at 8:00 o'clock in the evening." The release order was not dated. However, the PLO commander did not specify to whom the order was directed to.

Mandug is the same barangay where unidentified armed men picked up several youths in the past. It is the same place where labor leader Joel Maglungsod and Dominador Montero of the militant Nagkahiusang Mamamuo sa Habagatang Mindanaw (NAMHIA MIN) were arrested recently by PC soldiers in a dawn raid.

Relatives of the workers said that the captured workers of the banana plantation in Sitio Lapanday were released in Waan, a far-flung area in Mandug. After the workers' release, Kapitan Inggo and some union members of LADECO held a dialogue, according to the workers.

As of press time, it was not yet known what were the agenda of the unprecedented dialogue.

PLO is allegedly a group of vigilant persons out to execute lawless elements, subversives, and erring militarymen.

Barangay officials, it was learned from the workers, have raised quizzical eyebrows on the mysterious armed groups in the barrio.

A group of lawyers supported by workers, students, professionals have been conducting a fact finding investigation on the existence of unidentified armed men in the different sitios in Mandug and its environs.

**MARINES AMBUSHED IN DAVAO CITY; COMMANDER ON SALVAGING**

Davao City PEOPLE'S DAILY FORUM in English 16 Oct 84 pp 1, 10

[Article by Jun Baring]

[Text] A military captain belonging to the 3rd Marine Brigade and two other soldiers excluding a private who was slain, were ambushed by armed men believed to be rebels yesterday high noon in Pangian, Calinan district, this city.

The fatality was identified as a certain private Flores while those who were critically wounded in the ambush were Capt. Florente Macalisang, Cpl. Gemlin Cordero and Cpl. Gil Tribunsay, all of the 3rd Marine Brigade stationed at Malagos, Calinan district.

Reports indicated that at 11:00 a.m. yesterday, five Marines, including a commissioned officer, had a chat with a person who, until now, has not been identified.

One hour after the talk, the Marines excused and told the man that they were proceeding to the camp.

While on their way to the camp, fifty armed men believed to be members of an armed rebel group ambushed the Marines at Pangian, Calinan.

The engagement and fire power encounter netted the rebels one Marine private while the enemies suffered undetermined casualties.

Initial probe showed that no less than five rebels were killed in the encounter and scores more were hurt.

Col. Rodolfo Biazon, the amiable head of the 3rd Marine Brigade, immediately dispatched troops to pursue the armed band.

Marine sources also disclosed that they are presently looking for the man whom the soldiers were talking with one hour before the ambush.

In another development, Col. Biazon, teary eyed and sad, expressed pain over the news that the Marines "salvaged" two farmers last October 3 in Pangian.

Col. Biazon was quoted to have said that some mediamen must have overplayed that even the Marines, doing the best they could, were not spared from the accusation.

Marine sources noted that the ambush happened directly after a local daily (not the People's Daily Forum) headlined that the Marines "salvaged" the duo.

Col. Biazon was said to have disclosed and said that despite the over-aggressiveness of some mediamen, he will continue to maintain the prestige of his troop and, without bias, serve the people to whom his soldiers are dedicated.

The good colonel, in a talk with some mediamen at the Davao medical center, yesterday, promised to pursue every avenue to take vengeance against persons who inflicted harm on his men.

Meanwhile, doctors at the Davao medical centre noted that all the three wounded Marines were already out of danger as of presstime last night.

CSO: 4200/150

COLUMNIST CRITICIZES LABELING OPPOSITION ELEMENTS AS 'RED'

Davao City PEOPLE'S DAILY FORUM in English 16 Oct 84 pp 3, 8

[Article by Ninez Cacho-Olivares in the "My Cup of Tea" column: "Red Ain't Necessarily So"]

[Text] It does seem to appear that certain quarters see Filipino communists eventually taking over this country through armed revolution and that, under the guise of nationalism, these communists will impose their totalitarian rule.

It has also been noted that during rallies, whenever someone is booed or heckled, the accusing finger is immediately pointed at the communists who, these persons say, are in the audience. Many times, even when no booing from the so-called communists occurs, the communist bogey is raised nevertheless. Just the sight of some youths and laborers carrying red banners makes some persons jump to the conclusion that the "totalitarians" are coming. Slogans using words like "fascism," "imperialism" and "feudalism" are immediately branded as part of the communist jargon. Why use the language of the left? A caveat: beware the color red.

It may appear strange, but both groups in the opposition--cause-oriented and election-oriented alike--talk of the democracy, freedom and justice. Interestingly, so does the administration.

But do the words have the same meaning for everyone? Take the issue of "dictatorship." One group calls it the US-backed Marcos dictatorship while the other sidesteps the US issue. But of course the administration has an entirely different slant. What is "dictatorial" to the opposition group is "vibrantly democratic" to the ruling party.

While a few members of the opposition parties have called for the legalization of the communist party, many will not allow the communists to surface legally or illegally. The opposing multi-sectoral groups seem to be open to the idea of having communists in, as long as they lay down their arms.

It can be said that the administration and the military, like certain sectors of the opposition, appear to see communists everywhere. Both talk of infiltration, "radical" elements, the growing communists threat and the bright red banners and headbands seen in rallies are taken as danger signals. The cause-oriented group, in general, makes no distinction between the colors red and pink or yellow and white.



In this context, what is the underlying difference between the political opposition and the cause-oriented groups?

Both speak of democracy and a few in the political opposition seem to be espousing the kind of democracy the cause-oriented groups want to see: an authentic democracy which will "reflect the needs and aspirations of the Filipino people" based on a "broad representation of all sectors of society." What do the others in the political opposition have in mind? An elitist democracy? Do these persons want to see a new Philippine society steered by a new ruling elite which seems to adhere to MacCarthyism, in constant fear of the red specter?

With a change of power, with a new ruling elite working under the existing structures, even with the so-called legislative reforms, will there be no more abuses, no injustice, no more human rights violations, no cronyism, no repayment of political favors?

Unless human nature has undergone radical changes and unless our politicians have suddenly cast aside personal ambitions and have just as suddenly taken a large and healthy dose of true and firm concern for the welfare of the Filipino people, I am afraid that there may only be a change of faces in the political hierarchy. Major industries may be turned over to a new group of the favored and select. Foreign intervention will still go on.

Supposing, just supposing, of course, that even if popularly elected, the new elite's popularity wanes and that people once again take to the streets, how will the new ruling elite take this? Condemn the new protest groups as communist-led, a radical group infiltrated by reds or by a bunch of anarchists, and subversives out to destabilize the government and the new ruling elite?

If today, our "moderate" and conventional politicians and their disciples appear to see red infiltrators in the protest movement, what can Filipinos expect when and if a transfer of power occurs? Surely, even such leaders know that mere legalization of the Communist Party will not stop the growing discontent or the growing insurgency.

If today these persons are intolerant of red banners which they immediately equate with totalitarianism, will they perhaps become more tolerant in the future? Or will they be just as intractable in their beliefs?

Today they denounce authoritarianism and dictatorship. If and when they assume power and work under the same system which will benefit only a small sector of society, will the new rulers say that democracy is in full bloom, simply because they are now in the proper power positions?

A violent revolution is certainly no solution to our ills. Neither is totalitarianism. But it doesn't help any either when persons who are currently out of the power circle and position see red almost everywhere.

If one makes an effort to talk to those carrying the red banners and those wearing red bands, one may eventually come to the realization that red ain't necessarily red.

NPA KILLS 12, BURNS CHDF HOUSES IN DAVAO DEL SUR

Davao City PEOPLE'S DAILY FORUM in English 17 Oct 84 pp 1, 10

[Article by Max Robles]

[Text] Twenty armed rebels believed by police to be members of the New People's Army (NPA) staged simultaneous attacks in two barangays in Sulop, Davao del Sur, killing 12 persons, including four members of the civilian home defense force (CHDF) and hurting many last Sunday, at 8:30 in the evening.

Raided by the rebels were barangays Parami and Sergio Osmena, Sr., of the municipality of Sulop.

Police said that the armed rebels split into two groups and raided the two barangays. They strafed the houses of the residents before putting them to the torch.

In Parami, eight persons were confirmed killed, including three militiamen, one of whom was burnt beyond recognition.

Authorities identified the fatalities in Parami as CHDF Comingo Sandoval, his son Junric, 3. Mrs. Dalmacio Sandoval, mother of the CHDF, Librado Alfeche, 10, Olympia Sanapao, 73. Alfredo Intervencion, 10, CHDF Domingo Intervencion and CHDF Juanito Cantar who was burnt.

Those who were slain in barangay Osmena were identified as CHDF Vicente Cortez and wife, Marcelina, Merlyn Baldoza and Estrella Potente.

Reports indicated that eight houses were razed to the ground.

The number of those wounded and the more serious were identified as Eduardo Saragena, Jr., Leonora Baldoza, Elizabeth Baldoza, and Barangay Captain Rosalino Badon of Parami.

Prior to the raid, the rebels stole five carabaos from a barangay close to Malungon in South Cotabato.

Responding troops dispatched by Col. Laudemer Kahulugan, Davao del Sur provincial commander, led by P/Lt. Gregorio Manos, chief of police of the

integrated national police of Sulop, and Sgt. Castor, found empty shells of Garand, Armalite and Carbine in the fight scene. The rebels were reported to be wearing fatigue uniforms.

The report also indicated that the rebels herded the barangays folks and massacre every child, woman and man in sight.

Col. Kahulugan, upon information of the incident, immediately deployed army, constabulary, police and militia forces to pursue the rebels.

CSO: 4200/150

NPA AMBUSHES CHDF IN DAVAO ORIENTAL

Davao City PEOPLE'S DAILY FORUM in English 18 Oct 84 pp 1, 8

[Article by Dol Onez]

[Text] Three para-military men were killed and four others were reported missing when 20 heavily-armed men said to be members of the New People's Army (NPA) ambushed them at Barangay Culi-an, Mati, Davao Oriental at 8:00 o'clock p.m. last Wednesday.

Killed during the skirmish were CHDF Maximo Castardo, team leader of the group, Rodolfo Garcia and Miguel Omadle.

Reported missing are Dominador Matigpis, Jimmy Porquiz, Rodolfo Patoboc and one named Vicente. Except for Vicente who was reported as civilian guide of the paramilitary men, the three missing persons and the three casualties are all ICHDF members of the 205th Controlling Team under PA Captain Santiago Ortiz.

Reports reaching the Davao Oriental PC/INP Command disclosed the seven-man team of the ICHDF were on combat operations at Barangay Culi-an and neighboring areas when they were waylaid by the marauding NPA guerillas in a bushy portion of the barangay.

Three paramilitary men were immediately killed at the first burst of gunfire.

The missing paramilitary men were believed to have retreated individually to the mountains during the ensuing firefight when they sensed that they were of no match to the rebels' firepower capabilities.

Others theorized that they are being held captive by the rebels after they were overran by the enemy force.

The rebels, it was learned, were equipped with superior firearms as against the paramilitary men who were only using M-1 Garand and Carbine rifles during the firefight.

Dead bodies of the slain militiamen were retrieved by responding teams composed of Army and ICHDF members led by Capt. Ortiz.

FORMER NPA GUERRILLA JOINS CHDF, SARILING SIKAP

Davao City PEOPLE'S DAILY FORUM in English 19 Oct 84 pp 1, 8

[Article by Ben Wang]

[Text] He used to wield metals that emit gunfire, fighting government troops whenever cornered, and agitating people to overthrow the Filipino government.

"But that was long before I found fulfilment in fighting the war against poverty," said Simson Dagondon of Trento Agusan del Sur, popularly known then as Kumander Tata of the New People's Army.

Dagondon returned to the folds of law to wage "the other war," referring to the self-help project given him by the government through the Kilusang Sariling Sikap (KSS). He accepted the challenge to start a new and peaceful civilian life after three years of bloody challenge in the hills.

In barangay New Visayas, Trento where he resides now, he also tends to his flock, a detachment of civilian home defense forces (CHDF) he leads.

"Tata," as he is fondly called, has the following as his CHDF members: Paulino Abarques, Leoncio Ablaque, Alberto Ablaque, Alegio Ablaque, Eligio Lumantas, Simplicio Dagondon, Jesus Gibalay, Wenceslao Gibalay, Renato Gibalay and Noli Caraje.

Tata's new concern is a far cry from his old self when he still roamed the mountains. This time he's into a lucrative venture and has resolved that total fulfilment only comes when one shares what he has.

"I guess, I'm just happy this way, said Tata when asked how he fares in his new found life now. Day in and day out, he tends diligently to his backyard poultry, or sometimes weeding vegetable patches.

CSO: 4200/150

TWO DAVAO UNIONISTS CHARGED AS COMMUNISTS

Davao City PEOPLE'S DAILY FORUM in English 19 Oct 84 pp 1, 10

[Text] PC/INP RECOM 11 Headquarters revealed yesterday that charges for subversion under PD 1835 have been filed before the City Fiscal's office against two officers of the NAMAHRMIN (Nagkahiusang Mamumuo sa Hilagang Mindanao) namely: Joel Maglungsod and Domingo Montero, on the basis of evidence found by investigators of the Davao Metrodiscom as submitted to the City Fiscal.

The NAMAHRMIN is an umbrella organization of labor federations in Davao City.

The records of investigation alleged that the Communist Party of the Philippine (CPP) managed to organize a Party Cell within the NAMAHRMIN and that the two officers charged were both ranking CPP labor cadres, one serving as officer-in-charge and the other as propaganda and education officer. Records further revealed that the two are operating legally or "above ground". On this basis, the NAMAHRMIN had been classified by the military as a CPP-led front organization.

"It is for this reason, and not because of their legal status, work or association with the labor movement that Maglungsod and Montero are charged and detained at the Metrodiscom Jail", Major Angelito Moreno, RECOM XI legal officer said. "PD 1835 does not exempt any person, entity, or sector. The law has general application and the case of Maglungsod and Mondera will be decided on the basis of evidence" he added.

CSO: 4200/150



# CLERICS PROTEST RAID ON SURIGAO BISHOP'S RESIDENCE

Davao City THE MINDANAO DAILY MIRROR in English 18 Oct 84 pp 1, 7

[Text]

Tandag, Surigao del Sur — About 3,000 protesters marched and held an indignation rally Tuesday morning in protest of the military raid and illegal search on Bishop Ireneo Amantillo's house and the Diocesan Center (DPC) in this provincial capital.

With six priests on the lead, holding a large white streamer on which was boldly written "Stop Church Persecution", the march took off from the DPC under continuous showers and stopped at the town plaza—a distance of about 1 km.—where an indignation rally and a mass were held. Permit was granted by the office of the municipal mayor.

Joining the protest march were Fr. Louis Hechanova, vice provincial superior of the Redemptorist congregation, Bishops Carmelo Morelos of Butuan, Miguel Cinches of Surigao, some 30 priests and more than 40 nuns.

The rest who joined were lay church workers, lay missionaries, farmers, laborers and sectoral representatives coming from as far as Davao, Butuan and Surigao del Norte.

The marchers carried placards demanding "justice", an explanation of the "illegal raid" and

an end to "harassment." Shouts of "Down with the fascist military" and "stop salvaging" made the peaceful march more militant and lively.

Bishop Ireneo Amantillo, CSSR., D.D. and his two priests gave their own testimonies on the raid and the search on the bishop's house, the first to ever happen in Mindanao, while messages of support as well as of condemnation sent by the bishops, priests, nuns, seminarians, church congregation and people's organizations nationwide were read amid the participant's cheers.

The bishop's house and the DPC were raided and searched by elements of the Airborne team and the local ICHDF on the night of October 3. The raiders who had no search warrant took along with them church reports on social problems and military abuses.

Fr. Efren Rivas, director of St. Theresa's College here, main-

**7 ARRESTED . . .**  
Jose Gumalawen; and Gusino Buñados.

The PLO order bears the letterhead: "People's Liberation Organization; Armed Forces of Justice; Office of the Chairman."

Kapitan "Inggo" directed to "release the captured immediate-

[portion omitted]

tained that the raiders led by Captain Gustavo Atencia were not interested on persons. "Our mass action", he said, "is one expression of our protest."

Speaking about the destruction done by the military a day after the raid on the diocese's Pastoral Seminar House, Fr. Willy Sanchez said, "I could not believe they (the military) entirely destroyed the house. The military, the priest reported, "planted" blank bullets and medicine paraphernalia to justify their ransacking and to support their claim that the house had been used by "subversives."

Claiming he now "feels happy", Bishop Amantillo said, "We are not alone." Even how "insulting" the incident was, the bishop said, the church is not deterred from pursuing its mission. Letters of support from friends, he revealed, "give us courage."

The military, recalled the bishop, welcomed the Papal Nuncio who blessed the DPC five years ago but now they were the ones who raided it.

Speaking on behalf of the Association of Major Religious Superiors in the Philippines (AM-RSP) and the Redemptorist congregation, Fr. Hechanova assailed the "ideology of national security" invoked by Captain Atencia to justify his team's entry into the bishop's house and the DPC.

Calling it a "new religion" espoused by the state, national security, the priest said, undermines the "life, dignity and rights of persons and the church."

Bishop Carmelo Morelos said the raid was an "insult" to the diocese. It is not "the house of the bishop that is at stake" but the "dignity of the church people of Tandag." "If we do not protest, the persecution of the church may continue. We should topple down that spurious God of national security," he added.

Among the bishops who sent their messages of support and solidarity with the church of Tandag were Julio Labayen of Infanta, Orlando Quevedo of Kibapawan, Antonio Mabutas of Davao, Pedro Dean of Tagum, Dinualdo Gutierrez of Marbel and Charles Van Den Ouwelant of Tibungco, Davao.

In a letter read by Fr. Rivas, Jaime Cardinal Sin of Manila said, "We are behind you. We will support your move." The cardinal has sent separate letters to Armed Forces Chief of Staff Fabian Ver and Lt. Gen Fidel Ramos urging them to "do something to investigate the raid."

The indignation rally called by Tandag diocese winded up with a mass celebrated by Bishop Ireneo Amantillo himself and with an overnight vigil at Tandag Cathedral.

Meanwhile, the Davao delegation, on its way home, was stopped by armed CHDF men and the military for "inspection" just a kilometer away from the Diocesan Pastoral Center. The delegates said their male companions were ordered to come down while soldiers went inside the bus and pried through their baggage.

ASEAN 'CONCERNED' OVER EEC'S ANTIDUMPING MOVE

BK071425 Singapore Domestic Service in English 1300 GMT 7 Nov 84

[Text] ASEAN is concerned over the proposed antidumping policy of the European Community which will affect the manufacturers of the developing countries. A Singapore Foreign Ministry official described the move as a new phenomenon in the area of protectionism. Input [as heard] Dumping as it is learned will affect Singapore, which has to obtain many of its manufacturing components from third countries.

Talks and questions about access to European market and improvement to the generalized system of percentage will be taken up by ASEAN foreign ministers when they meet their European Community dialogue partners in Dublin, Ireland, on the 15th of this month.

While political cooperation between the two groups has gone on very well, particularly EEC's support for ASEAN's position on the Cambodian problem, the official current achievements from the economic tie have been rather modest. He said ASEAN is trying to get more European commitment to an economic cooperation.

The foreign minister, Mr Dhanabalan, will be [words indistinct] statement on protectionism and access to market at the ministerial meeting. Other topics will be transfer of technology, development assistance, and human resources development. Political discussions will be on Cambodia, Sino-Soviet relations, and the future of the Pacific region, the Middle East, Afghanistan, and East-West relations.

The official said ASEAN will alert the EEC on any possible Vietnamese moves to try to get assistance for aid from the European countries. He said recent moves by Hanoi are signs that some of the diplomatic pressures on Vietnam and its economic isolation could be having their effects.

Before the ministerial meeting, Mr Dhanabalan will lead a four-man delegation to Bahrain and Amman later this week to foster closer ties with the Gulf states.

CSO: 4200/162

## BRIEFS

'NEW GUARD' FOR PAP CENTRAL COMMITTEE--The People's Action Party has elected a new guard Central Executive Committee without any of the older leaders except for Mr Lee Kuan Yew to continue as party secretary general. Mr Ong Teng Cheong, who is chairman, has held this post since 1981. Dr Tony Tan is vice chairman, and Mr Goh Chok Tong is assistant secretary general. Mr Dhana-balan takes over as treasurer from Mr Chua Sian Chin who has stepped down. The assistant treasurer is Dr Ahmad Mattar. The latest issues of the PETIR, the PAP's news publication, says that with the stepping down of two old guard leaders, Mr E.W. Barker and Mr Ong Pang Boon, the party Central Executive Committee is entirely composed of new guard leaders except for the prime minister. The party has set up various committees to gear up for the general elections. Mr Goh Chok Tong heads the general elections committee. The secretary is Dr Yeo Ning Hong. The PETIR says that several new candidates have been included in the other subcommittees prepared for the elections. [Text] [Singapore Domestic Service in English 1300 GMT 7 Nov 84 BK]

CSO: 4200/170

## ASEAN-EEC ISSUES DUE FOR NEGOTIATIONS

Bangkok THE NATION REVIEW in English 22 Oct 84 p 25

## [Text]

WHEN the six-member ASEAN grouping meets the European Economic Community in Cha-am, Petchaburi Province in December, it will raise at least nine specific trade issues attributed to its economic and financial difficulties.

However, some of those issues will be discussed when the ASEAN meets the EEC in Dublin during November 15-17. Foreign Minister ACM Siddhi Savetsila will head the Thai delegation. Though the meeting will put much emphasis on political issues, some economic matters might be raised in Dublin.

In meeting in Cha-am involves senior officials of ASEAN and the EEC to discuss many long-standing issues. ASEAN will point at many tariff and non-tariff measures expected to be imposed by the EEC.

Well-informed sources told *The Nation* that the specific trade issues with the EEC include possible imposition of consumption tax on vegetable oil and oilseeds by the EEC, International Sugar Agreement, Proposed EEC Directive Concerning Beverage Containers

Made of Tin, tobacco, inter-

**I**T should be added at once that whatever the difficulties, EC-ASEAN trade is thriving. It could be much bigger, of course, given the potential on both sides.

Even so, the EC takes some 11% of ASEAN exports and provides it with around 12% of its imports. What is more, EC-ASEAN trade has been growing at a promising rate, despite the difficult economic conditions of the last decade or so.

In fact, between 1973 and 1983 the EC's imports from ASEAN rose by 340%, while its exports went up by 445%. Perhaps most important of all, the share of manufactured products in ASEAN exports rose from 25% to 42% over this same period. (From *Europa* magazine, an EC publication in Bangkok).

pretation of tariff on tapioca products, canned food, new round of multilateral trade negotiations, the Generalized System of Preferences and trade promotion.

Other subjects include problems affecting commodities, cooperation in research and development between the EEC and tin producers to increase tin consumption.

These issues were discussed

by ASEAN senior officials in the First ASEAN Preparatory Meeting for the Fifth ASEAN-ECC Joint Cooperation Committee scheduled for Cha-am. The ASEAN officials met last week to work out position paper at the Siam Inter-Continental Hotel.

On the tapioca tariff issue, the EEC has a binding agreement covering tapioca products imported into the EEC under Tariff Heading No. 07.06 which is subject to a tariff of 6% of the value of the imports. Under the tapioca co-operation agreement between Thailand and the EEC for 1982-1986, Thai tapioca products are also subject to a tariff of 6%.

At present, the Nomenclature Committee and Interim Harmonized System Committee are in the process of amending their explanatory note on Tariff Heading No. 07.14 which is the tariff heading on tapioca products under the Harmonized System to include disintegrated pellets.

However, some EEC member countries feel that disintegrated pellets should come under Tariff Heading No. 11.06, which is subject to a tariff of 28% of the Barley levy, at present 6%. This matter is supposed to have been considered by the Customs Cooperation Council in Brussels late this month.

ASEAN, particularly Thailand and Indonesia will ask that tapioca products, whether or not in the form of pellets, be classified under Tariff Heading No. 11.06 under the Harmonized System, the sources said.

### CANNED FOOD

Another serious, specific issue which the ASEAN will raise is canned food. The ASEAN will point out that exports of canned food, seafood and fruits, have encountered tariff and non-tariff barriers from EEC member countries which has caused a great deal of damage to ASEAN exporters.

The ASEAN countries will tell the EEC that the import of certain ASEAN products was prohibited, without prior notification, due to EEC's stringent health and quality regulations. For example, France announced a ban on the import of Thai shrimp and canned crab at the end of 1983, citing high mercury and lead content as the reason. Earlier this year, it imposed a ban on Thai squid, cuttlefish and octopus, alleging that the products contained bio-toxin. It was after months of negotiations.

Other food products such as frozen shrimp, refrigerated shrimp, cooked and shelled, and packed in plastic bags from Thailand and other South Asian countries were prohibited months ago after the EEC discovered the presence of bacteria which is dangerous to consumers and subsequently issued a public warning to that effect, thereby affecting the import and sale of those products in the EEC market.

For canned fruits, Thai and ASEAN's exports are facing competition from African countries whose producers are receiving duty-free and non-quota preferential treatment under the Lome Convention.

At present, ASEAN canned pineapple exports are restricted by quota under the GSP scheme which has raised problems in expanding exports.

An ASEAN memorandum, the sources said, mentions that Thailand wishes to stress the Economic and Trade Cooperation Agreement between ASEAN and the EEC. The unilateral measures taken by the EEC in the past, without prior consultation, "is not consistent with the agreement."

The memorandum says further that canned food from Thailand have been improved to meet the required standard and have been accepted in foreign markets as shown by the annual increase in exports.

### by NATION BUSINESS DESK

The ASEAN suggests that the EEC should inform the member countries of the real source of the problem so that the countries who are not at fault will not suffer. The memorandum says "the facts should be explained through the media which would build confidence among the consumers and help alleviate some of the problems. The immediate ban on imports has had a great impact on exports and requires a great deal of time to regain consumer confidence."

For canned fruits, EEC consumers has shown a trend towards favouring Thai and other ASEAN member countries' canned pineapple as seen in increase in imports each year. The ASEAN will ask the EEC to consider expanding the GSP quota for ASEAN in order to reflect the market demand for the product.

### INTERNATIONAL SUGAR AGREEMENT

The EEC which accounts for 2.5% of the total world sugar trade participated in the

latest round of negotiations for a new International Sugar Agreement and for its possible membership into the accord.

**B**ETWEEN 1980 and 1982, when demand in the community was largely stagnant, its total imports from ASEAN grew by a mere 1%. Imports of sawn timber, natural rubber, tin, coffee and palm oil all fell. At the same time community imports of machinery and electrical equipment rose by 46%, of animal feedstuffs, including manioc, by 43%, of clothing by 30%, plywood by 23% and textiles by 9%.

However, inspite of all efforts to arrive at an agreement, the ISA conference resulted in a breakdown due to the inability of some major sugar exporters to agree on a sugar quota system.

ASEAN reiterates its belief in the importance of EEC's participation in the new ISA for an effective functioning of the agreement.

ASEAN will ask the EEC to consider seriously and sympathetically the plight of the developing countries which depend heavily on the export of sugar for their foreign exchange income.

ASEAN will ask the EEC to consider positively the convening of a Sugar Conference at an early date and to conduct consultations with other major sugar exporting countries with the view to concluding an ISA with effective economic provisions.

### VEGETABLE OIL AND OILSEEDS

ASEAN countries rely heavily on their exports of commodities to the EEC such as vegetable oils notably coconut oil and palm oil. Any measure to restrict access of these commodities in the EEC could, in



the final analysis, be detrimental to the further development and strengthening of ASEAN-EEC trade.

ASEAN, the sources said, believes that the EC Commission's proposal to levy an internal tax on the consumption of vegetable oils and fats, except butter, contrary to the EC claim that it is non-discriminatory, is definitely so because it exempts butter; the tax will be mainly imposed on imported oils since domestic oils compose only 20% of EEC consumption; being specific and not ad valorem, it would penalize more the lower-priced fats and oils even those not competing with butter and; it will be imposed at point of entry.

Likewise, the tax will not lead to a reduction in the community consumption because it will simply be treated by importers of oil as import duty to be discounted from the prices paid for imported oils, thus reducing export earnings and returns to producers in the ASEAN countries.

ASEAN views the proposed tax as a new trade barrier and contrary to the EEC commitments under the General Agreement on Tariffs and Trade, to UNCTAD resolutions and the Conference resolution 2/75, the principles underlying the Generalized System of Preferences and the Lome Convention to safeguard the interest of developing countries and encourage trade through reduction of tariff and non-tariff barriers.

Further, ASEAN is concerned that the proposed tax may represent a dangerous precedent for the adoption of similar taxes in the same or even other sectors in the future.

ASEAN recalls the assurances given by the EEC on vari-

ous occasions, including the first JCC meeting in 1980 when the EEC stated that the process of EEC enlargement would not adversely affect vegetable oil exports to the EEC.

In the spirit of this assurance, ASEAN will reiterate its request to the EEC that these proposed tax measures and eventual EEC enlargement should have no adverse consequences for ASEAN vegetable oil exports and that the terms of access to the EEC market for vegetable oils from ASEAN would be improved instead of restricted.

ASEAN will request that the GATT procedure on notification and consultation regarding this matter be effectively applied.

#### BEVERAGE CONTAINERS

ASEAN will point out that as a member of the Sixth International Tin Agreement, the EEC is no doubt aware of the importance of tin to the economics of ASEAN tin producing countries. ASEAN prosperity depends, among other things, on the successful exploitation of mineral resources, among which tin has for many decades been a commodity of major importance.

**T**HESE figures suggest that the Community market is less protective than is claimed, although it no doubt is a highly competitive market. But those who focus on the purely commercial - or even economic - aspects of the EC-ASEAN relationship fail to recognize the fact that neither ASEAN nor the EC can be defined in purely economic terms, for both emerged in response to a wide range of factors, political as well as economic, social as well as psychological, historical as well as moral.

The largest single market for tin is in the production of tinplate, principally used for packaging, which accounts for some 40% of total annual sales. It is, ASEAN feels, natural and legitimate for the grouping to foster the use of tinplate packaging and to support the industry against the competitive threat of alternative materials.

Inevitably then it is a matter of the greatest concern when ASEAN encounters policies which may lead, directly or indirectly, to active discrimination against tinplate. Within the European Community such as instance had arisen with the proposal for a Council Directive on Containers of Liquids for Human Consumption.

While it is clear that the motivation for this proposal is environmental concern, it is apparent that member states will be afforded a great deal of latitude in the method of implementation.

ASEAN feels that if any of them should choose to follow the precedents of existing legislation in other parts of the world, there is good reason to fear that competing materials will benefit at the expense of tinplate.

ASEAN points out that this happened in North America, Australia and Europe. Whether the measures have had any perceptible effect on the environment it is impossible to say; the evidence is inadequate and conflicting.

ASEAN sees that from the limited studies undertaken within the European Community, it has been established that the quantity of tinplate packaging that might be at risk amounts to less than 0.5% by weight of household refuse.

Since all of this material is potentially recyclable provided the responsible authorities adopt appropriate methods of waste disposal, any discriminatory measures would be deplorable, ASEAN points out.

ASEAN, therefore, concludes that there is no justification for any measure which discriminates against tinsplate in these markets, and that the European Commission should take note of the high value ASEAN attributes to the maintenance of this outlet for tinsplate, and thus for tin.

ASEAN will request that the EEC refrain from suggesting or adopting measures which may adversely affect tin consumption.

CSO: 4200/152

## FOREIGN BORROWING CEILING SET

Bangkok THE NATION REVIEW in English 22 Oct 84 p 17

[Text]

**T**HE Finance Ministry, while maintaining strict fiscal discipline through control on government spending and keeping the country's economic growth rate at below 5.5% annually, plans to borrow a maximum of US\$1,500 million from abroad during the fiscal year 1985 beginning this month.

The amount includes direct borrowing by government units and guarantee. Well-informed sources told *The Nation* that the ministry will soon seek Cabinet approval.

The amount is also based on last fiscal year's external borrowing which was only US\$1,400 million though the ministry had set the ceiling at US\$2,060 million.

The ministry specifically wants to cut down external borrowing during the next 3-5 years because previous loans are due for repayment in considerable amounts each year. Already, the government has allocated budget for repaying foreign loans exceeding 20% of the country's export revenue beginning this fiscal year.

The country's total external debts amount to US\$11.5 billion.

Meanwhile, newly-appointed Director of the Fiscal Policy Office, Manas Leeviraphan ex-

plained that this fiscal year's plan for external borrowing is not different from the previous year. Whatever projects to be implemented through foreign loans, the ministry will pick the most viable one to prevent excessive borrowing.

"It is necessary for us to reduce foreign borrowing because this burden is increasing. By this, we will curtail the economic growth rate because too much growth will lead to over spending and adverse effects on economy," he said.

The external-borrowing plan is based on a number of factors. The first is to keep the annual economic growth rate below 5.5%. The second is to avoid unnecessary borrowing. "If it is essential, borrowing must be based on economic realities. The third point is to boost exports for at least 15% growth annually. The fourth is to limit the scope of external borrowing. By this, external loans cannot be sought for working capital," sources said.

Another point is for the ministry to curtail borrowing by government units from private money market abroad. Only projects which promise revenue in foreign currencies will be permitted.

Former Bank of Thailand Governor Nukul Prachuabmoh had already warned the government to cut down external borrowing before the country moves in the same direction as the Philippines whose external debts are causing

serious economic problems.

A senior central bank official recently warned that the government should delay some national projects which need external borrowing for implementation. He pointed out that though the present external debts do not pose immediate problem, further heavy borrowing would lead to a worrisome situation.

He suggested that some national projects should be delayed until the country can reduce the current account deficit to below US\$1.5 billion annually. The deficit problem is the main one to be tackled next year.

The central bank, meanwhile, is reviewing all financial outlay for investment projects on the Eastern Seaboard. It will show separate financial outlay for each project and possible impact on the country's economy to the Cabinet.

Sources said that if external borrowing is continuously needed in the next five years for Eastern Seaboard industrial projects, then the country's economy will not be strong enough to shoulder the increased external-debts burden because export revenue will not be rising at a rate high enough to absorb major problems.

The Eastern Seaboard projects include National Fertilizer Corp, National Petrochemical Corp, deep-sea ports, industrial estates and private investment of downstream petrochemical complex.

CSO: 4200/152

COLUMNIST: PHILIPPINE COMMUNISTS WINNING, MARCOS SHOULD QUIT

Bangkok CHAT ATHIPATAI in Thai 7 Oct 84 pp 23, 24

[Article by Nui Bangkhunthien: "The Longer Things Go On, the Worse the Situation Will Become"]

[Text] Recently, Mr Ross H. Munro, a correspondent for TIME, which has worldwide influence, went to the Philippines to gather data. He reported that:

Ever since Mr Benigno Aquino was assassinated in August 1983, the position of President Ferdinand E. Marcos has deteriorated at an alarming rate. The latest general election confirmed this. The opposition political parties won twice the number of seats predicted by the government. That is, it was thought that the opposition would win no more than 30 seats, but it actually won more than 60 seats.

This political victory by the opposition parties took place after the government had used every means possible to "get the advantage." For example, it delayed the counting and distribution of ballots in certain areas and charged that the opposition parties were using dirty and illegal means.

While the election results have not shaken the power base of President Marcos too much since he still controls a majority of the seats in parliament, his administrative failures have become apparent in other forms. For example, the economy has deteriorated greatly. The value of the peso has declined markedly. A two-system monetary system has arisen. That is, there is an official rate and a black market rate. Foreign financial institutions don't dare lend any more money [to the Philippines].

There is widespread poverty. A tiny minority of the people in the cities lead comfortable lives since they are near the center of government power. But looking at the general situation, throughout the country the people's level of education is low and they are poor, crime is widespread, corruption is prevalent in all circles and at all levels and the use of special privileges is quite common.

The people have become tired of this, and they have lost faith in their leaders. People have become resentful of the class division of benefits. While the rich, who enjoy the advantage in the social structure, are growing richer, the split between people in the country is growing wider.

Before Mr Aquino was assassinated, the only enemies of President Marcos were the opposition political parties and the Philippine Communist Party. Other interest groups were still his allies. That is, the wealthy people in banking, industrial and trade circles benefited from the security brought about by President Marcos using dictatorial powers. They were the links that enabled the economy in the country to prosper, and they were the ones who coordinated important domestic and foreign investment sources.

But when Mr Aquino was assassinated, the government's political base and economic system began to totter. There were many demonstrations. Foreign investments dried up, and cracks appeared between Mr Marcos and the big businessmen and bankers.

The conflict grew so bad that the giant bankers, who control the country's economic arteries, announced that they were temporarily halting operations, claiming that the Bank of the Philippines had not provided help. It reached the point where the national bank had to quickly take action to handle the situation and order them to remain open.

All of these things have had an important effect. People's confidence in the country's financial institutions have begun to weaken. And the ones who have benefited are the Philippine communists.

From just a few thousand, the ranks of supporters of the Philippine Communist Party have grown rapidly. The combat units alone, which have been organized into an army, have more than 20,000 men. These forces are experts in guerrilla warfare. They are well-trained, and their morale is high. They are fighting to win national independence and sovereignty for the people.

The Philippines is composed of more than 70 provinces and the communists wield influence in 37 of these. This figure is similar to that in Thailand during the period that the Revolutionary Council controlled Thailand and implemented a policy of suppressing the communists using force. The greater the suppression effort, the stronger the communists became. From just a few provinces, they expanded [operations] to more than 30 provinces.

The Communist Party of Thailand was affected by the split between China and the Soviet Union. When China turned and became a friend of Thailand, [Chinese] aid to the communists declined. When the Thai military went on the offensive using Order 66/1980, the communist party disintegrated.



But things are just the opposite in the Philippines. That is, the communist party continues to grow.

At the same time, the government forces are filled with corruption and privilege. The soldiers lack morale. They do not want to fight to defend the interests of crooks. The people have begun to show more interest in the communist party.

The government of President Marcos is on the verge of collapse. There does not seem to be any way for Marcos to solve the economic problems. His chances of regaining the political prestige and great power that he had in the past are growing dimmer and dimmer.

At present, the Philippine Communist Party is studying things in order to adjust its tactics and attack the government in new ways.

Several agencies that analyze international problems are trying to determine what these new tactics will be. It is thought that regardless of what tactics are used, the objective of the Philippine Communist Party is to topple the Marcos government.

Besides the communist party, another fierce enemy of Marcos is Mr Lorenzo Tanada, a former senator who is an important opposition leader. He took the place of Mr Benigno Aquino and has the trust of millions of the downtrodden and poor. Mr Tanada is trying to convince Mr Marcos that his time is past and that he should retire. In such a predicament, if Marcos should manage to survive, he would have to be considered to be a superior being.

11943

CSO: 4207/25

## STORIES ON KHUN SA ACTIVITIES

## Khun Sa's Rebels

Bangkok BANGKOK POST in English 21 Oct 84 pp 1

## [Text]

THE Shan United Army of opium warlord Khun Sa this week celebrated the end of Buddhist Lent at its new stronghold at Doi Lang opposite Mae Ai District of Chiang Mai. For the first time, nearby Thai villagers were invited to the four-day event interpreted by local Thai security authorities as Khun Sa's attempt to improve his army's image. Bangkok Post Northern Bureau reporter SUBIN KHUENKAEW and photographer SAYANT PORN-NANTARAT interviewed the SUA leadership and observed the celebrations.

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Doi Lang — Leaders of the Shan United Army yesterday denied Khun Sa was seriously ill but admitted the opium warlord had not been well for some time.

Giving their first interview from the new stronghold, the SUA leaders declined to reveal the whereabouts of Khun Sa, alias Chang Chi-fu, who went underground after Thai troops overran his Ban Hin Taek stronghold in a bloody battle more than two years ago.

"Who knows," said a senior SUA officer, "Khun Sa may now be hiding somewhere in Bangkok."

SUA captains Jai Saidad, Chita Yodkham and Laoku sae Yang agreed to be interviewed on the condition that no photographs of them be taken.

Capt Jai and Chita, the Doi Lang chief administrator, dismissed Thai intelligence reports that Khun Sa, 54, was recuperating from diabetes at Mong Kan, a small Shan State village opposite Mae Sai District of Chiang Rai Province.

They said Burmese troops recently attacked the village in a bid to capture Khun Sa, but he was not at the community, which they described as a training camp.

"Khun Sa is still doing fine and we expect that he will be going strong for quite some time," they

said, rejecting reports that their leader had facial plastic surgery to change his appearance.

While the SUA men admitted that much of their funds came from narcotics, they denied they were directly involved in the opium trade and producing heroin.

Claiming that the SUA had not relented in its bid for autonomy from Rangoon, they said they had a big army to feed and equip and money was needed to carry on the fight.

The SUA, they claimed, had merged with the Tai Revolutionary Army (formerly known as the Shan United Revolutionary Army) and now had a combined force of 20,000 men.

The SUA's main income, they said, was from concession fees from "foreign merchants" to set up refineries on SUA-controlled territory. Concessions are granted to merchants who offer the highest returns to the SUA which would then provide armed units to protect the refinery operation.

"We need money to raise the army. We don't have any interest where the heroin will be taken to," they said.

They said SUA soldiers earned 60 baht a month plus food and supply allowances of 90 baht.

Since the fall of Ban Hin Taek, now known as Ban Thoed Thai, the SUA has tried to avoid clashing with Thai forces. "We have no wish to fight against Thailand," they said.

## Festive Spirit Grips Town

Bangkok BANGKOK POST in English 22 Oct 84 p 5

[Text]

**Doi Lang —** The fair was full of rowdy and armed guerrillas, but not a shot was fired in the event held by the Shan United Army to mark the end of the Buddhist Lent.

At least 30 Thai monks were invited to bless the troops of Khun Sa's opium army in the four-day celebration which has been seen as an attempt to polish the tarnished image of Burma's most influential guerrilla band.

For the first time, nearby Thai villagers were invited to join the celebrations on the Burmese side at Doi Lang, now declared independent from Rangoon and renamed *Mong Toen — Prosperous Town*.

During the celebrations, which started on October 16, between 400-500 SUA soldiers were daily allowed to attend festivities at Ban Pang Nai, opposite the Thai village of Ban Pang Ton Dua, 13km from Mae Ai.

Overlooking the celebration site, SUA men maintained tight security around the hillside military base, which was declared off-limits.

As festivities entered the third day, SUA men sporting M79 rocket launchers and M16 assault rifles swaggered among the crowds, some of them joining in with drums and cymbals and the *Klongyao* dances. Others watched traditional dance processions and stage shows provided by Thai villagers.

Since Thai forces overran the SUA's former base at Ban Hin Taek more than two years ago, the SUA moved down to Doi Lang and fought Burmese Communist Party forces before driving them off the hill which straddles the Thai-Burmese border.

The thriving SUA community which comprises about five Shan villages, relies on food supplies Thai merchants sneak through border passes to sell at Ban Pang Nai, the main village nearest the border.

The SUA allows the Thais to cross into the village to trade with the 80-family community from morning until 6 p.m.

The village appeared peaceful and calm; a tranquility possibly helped by a large sign warning of the harsh penalties facing would-be wrong-doers.

According to the sign, death will be imposed on sellers and users of heroin, rapists and armed robbers. Opium and marijuana users and thieves are subject to hard labour and beating with hammers.

The sign seemed absurdly out of place in the stronghold of Khun Sa, leader of the world's most notorious drug gang.

SUA chiefs at the village admit the SUA's main income came from narcotics but flatly deny it was involved in heroin production.

They claimed the army lived on fees collected from "foreign merchants" operating heroin refineries in SUA-held territory straddling the border from Chiang Rai to Mae Hong Son.

The income was used to finance the expanding army in its campaign for autonomy from Rangoon. A recent merger with the Tai Revolutionary Army — formerly the Shan United Revolutionary Army — gave the SUA a combined strength of more than 20,000 men.

Apart from clashing with Burmese troops, the SUA attacks rival minority groups competing for lucrative narcotic income. This did not include Thai troops who frequently launch suppression campaigns against the SUA along the ill-defined border.

Khun Sa's men dismiss Thai reports that the Burmese Communist Party supplies opium for the SUA to refine into heroin. They claimed the BCP had instead teamed up with elements of the Nationalist Chinese 93rd Division.

son, better known as the Kuomintang, to compete with the SUA.

The KMT, they said, had established itself in Thailand and therefore should not compete with the SUA in the Shan State.

Whatever its future, it seems the SUA has recovered from the severe blow inflicted by Thai forces at Ban Hin Taek.

While Khun Sa's men said other minority groups present a challenge, they were more concerned at the Thai forces deployed along the border to stop the narcotic business spilling into Thai soil.

This was reflected by the SUA's attempt to renew its friendship with the Thais by extending invitations to local villagers.

Khun Sa, who did not appear at the celebration, made this clear in a message read to soldiers at the fair by Mong Toen, Chief administrator, Cheta Yodkham.

"The Shans and the Thais are like the tooth and the tongue which unavoidably clash all the time being very close to each other. The SUA soldiers should take the matter lightly and try to avoid fighting with Thai soldiers," the SUA boss said.

CSO: 4200/152

GOVERNMENT BANS IMPORTS OF MILK; GOVERNMENT TRADING FIRM

Bangkok BANGKOK POST in English 17 Oct 84 p 17

[Text] THE Government has slapped an import ban on bottled sterilised and pasteurised fresh milk in a move to protect the local industry. But the Cabinet yesterday ruled that no official ban will be imposed so as not to contravene the General Agreement on Tariffs and Trade, to which Thailand is a signatory.

It said that the Commerce Ministry will instead issue an order requiring milk importers to obtain prior ministry approval. The ministry is expected to make an announcement later this week.

The ban, reported exclusively by Business Post on September 28, will mainly affect fresh milk imports from the European Community.

Products which will be subject to the new regulation are fresh milk under Customs tariff code No. 04.01 and 04.02 and milk-related drinks under Customs tariff code No. 22.02.

Yesterday's Cabinet announcement claimed that the regulation was necessary because competition has eaten into the market share of locally-produced milk products and the dairy industry could face serious problems if the situation persisted.

According to Commerce Ministry facts, which were made available to the Cabinet, Thailand imported more than 863 tons of sterilised fresh milk at a low price of only 10.07 baht a litre, inclusive of all taxes, in the first half of this year, about 36% cheaper than locally-produced milk.

The Cabinet yesterday also endorsed a Council of Economic Ministers' decision allowing the Commerce Ministry to impose controls on soybean waste imports, under Customs tariff No. 23.04, in a bid to protect soybean farmers. Importers must now obtain prior approval from the ministry.

Cheap soybean waste imports, used in the production of animal feed, have reportedly hit local farmers badly because they have been unable to sell the product.

CSO: 4200/152

## TAX RESTRUCTURE COULD INCREASE REVENUE

Bangkok THE NATION REVIEW in English 11 Oct 84 p 17

[Text]

THE Finance Ministry, in a bid to complete a sweeping tax restructure within this month, expects to have additional revenue between 3,000-5,000 million baht during the fiscal year 1985.

Deputy Finance Minister Dr Suthee Singsaneha told *The Nation* yesterday that the restructure will see more suitable rates for taxes and, at the same time, with the least adverse effects on the public.

The ministry has set the target for annual increase in tax revenue at 10%, but there might be problems because there must be full economic recovery, he said.

In the fiscal year 1983, there was some shortfall in revenue but it was offset through a bidding for private firms to operate 12 new distilleries. Dr Suthee said that in the fiscal year 1984, which ended last month, there was also some shortfall due to unfavourable economic conditions.

"There are also worries that there will be shortfall in the present fiscal year. We will try to avoid it through tax restructure," he said.

When the budget was planned earlier this year, the Finance Ministry promised to the Budget Bureau that it would increase tax revenue by 3,000-5,000 million baht. The restructure will be in all fairness for the private business sector, because there will be both increase

and decrease at the same time, Dr Suthee pointed out.

Under the restructure, the government will adjust the exit tax, taxes on all petroleum products, personal and corporate income taxes, manufacturing taxes, corporate taxes.

From the restructure, the government expects to earn 2,000 million baht less in revenue due to adjustments of personal and corporate taxes. But the shortfall will be offset by other measures.

The government had earlier announced that the income tax restructure will be a New Year's gift for the people.

Well-informed sources said that the government faced a shortfall of 6,000 million baht in the fiscal year 1984, compared to the target set at 155,000 million baht. The shortfall was partly offset by the spending of some fiscal reserves by the Finance Ministry.

Under normal circumstances, the government's fiscal reserves amount to 7,000 million baht and it can be used to offset revenue shortfall. As a result, Finance Minister Sommai Hoontrakool said Tuesday that he has just secured a loan of 115 million Swiss franc, about 1,150 million baht, to shore up the fiscal reserves.

The sources said that the government is expected to "write off" certain investment in government projects which were funded by the fiscal reserves. The projects were unable to yield enough income for repayment to the

reserves.

Meanwhile, the government does not expect increased revenue from the adjustments of import duties and imposition of surtax on non-essential goods and luxury products announced on Tuesday, the sources said.

On the contrary, the government may face lower revenue if demand for those products decline. The adjustments were designed to cut down trade deficit and improve balance-of-payments position.

While local producers of electrical appliances welcomed the government's move, they expect that prices would rise by a very small margin. They also expressed concern that smuggling of these products will increase.

The producers will send representatives to seek clarification from the Customs Department today. Some said their prices will rise only 12% at the most.

But exporters of canned seafood show more concern over the increase of 10% surtax on fish. They said they were uncertain whether the increase is for expensively imported raw fish for Japanese restaurants or for all.

Thailand has to import tuna for processing. Though there is tax rebate, it would take a long time and the increase in surtax will boost their operating costs.

Liquor wholesalers said that the increased import duty would just be passed on to consumers. They also pointed out that there will be increased smuggling of foreign liquor into the country.

CSO: 4200/152



## FISHERY VENTURE PROPOSAL FOR ANDAMAN SEA

Bangkok THE NATION REVIEW in English 12 Oct 84 p 17

[Text]

**INDUSTRY** Minister Ob Vasuratna said yesterday that he would seek approval from the Council of Economic Ministers in the next 10 days to go ahead with a revised plan on the long-delayed multi-million baht ASEAN rock salt-soda ash project.

"If it is not approved, I will propose a fishing venture in the Andaman Sea from which marine products will be supplied to canning factories," he said.

Minister Ob said he has already approved the revised plan for the project as drawn up by Dr Pornchai Kampanitch, a senior executive of Thai Asahi Group, which holds interest in Rock Salt-Soda Ash Holding Co Ltd, and Unico International Corp of Japan.

He suggested the revised configuration of the soda ash plant, which envisages annual production of 300,000 tons and a total investment of US\$267 million baht, would make it feasible for implementation. It promises an internal rate of return on investment of 13.29% and an internal rate of return on equity of 21.8%.

"If the council does not approve, it will have to be dropped, but I personally think that it would be viable," he said.

Implementation of the project will lead to development of do-

mestic natural resources while more job opportunities would be available to northeastern labours who can work in rock salt mining.

The minister pointed out that fishing in the Andaman Sea would be a new project for Thailand. "The sea is not owned by any country and there are fishing trawlers from Japan, Britain and Norway operating in the area. They catch marine products there for canning. There are trawlers and mother vessels to process the catch," he added.

Thailand can export a lot of canned seafood, particularly tuna which accounts for 50% of the US

imports. Minister Ob said that fishing venture in the Andaman Sea can be a new ASEAN joint venture project.

"If the government agrees, I will propose this as an ASEAN joint venture. I believe that the Agriculture and Cooperatives Ministry and the Fisheries Department will agree with me," he pointed out.

When asked to comment on a proposal to include production of magnesia clinker as an ASEAN industrial project, Minister Ob said he disagreed with the plan. He explained that demand for magnesia clinker is not high enough to make the project successful.

"The government can ask Siam Cement Co Ltd to enter joint venture with some local companies to implement the project," he said.

## TRITON OIL VENTURE

Meanwhile, the minister disclosed that Executive Vice President of US-based Triton Energy Corp, Mr David E. Gore, discussed with him last week over the concession for the company's subsidiary company here.

The subsidiary, Triton Oil Co of Thailand, has its concession near Malaysian waters. Malaysia has announced a 200-mile Exclusive Economic Zone and as a result, the Triton concession also overlaps the Malaysian EEZ.

The Thai government and Malaysia have formed a joint authority for development of resources on the continental shelf but negotiations have dragged on for more than four years.

Triton Oil cannot undertake active exploration pending agreement between the two countries. Minister Ob said the Triton executive pointed out that there are signs of petroleum deposits in the concession and it would be useless if they cannot be tapped.

The company wants to resume exploration while Thailand can continue to hold talks with Malaysia. "He said if the exploration shows no petroleum deposits the company would be solely responsible for the investment cost. If petroleum is found, Thailand and Malaysia can share the resources," Minister Ob said.

Minister Ob said he would hold consultations with Foreign Minister ACM Siddhi Savetula after he returns from the United Nations.

He said Thailand can hold informal talks with Malaysia on this issue.

Since it was granted a concession in 1972, Triton has drilled only one dry well in the northern sector of Block 18. It had to stop drilling in the disputed area which shows high prospects of petroleum deposits.

Triton has since maintained an office in Bangkok with a few staff members.

## THAILAND

### COMMISSION CITES INFLUENCE BUYING IN POLICE TRANSFERS

Bangkok SIAM RAT in Thai 27 Sep 84 pp 1, 12

[Article: "Behind the Police Transfers, Money Paid to Buy Positions"]

[Text] It has been revealed that in the recent reshuffle of police officers, payments of 300,000, 500,000 and 700,000 baht were made. Merchants put up the money.

A news report has revealed what was discussed at a Police Department meeting on the annual transfer of police officers at the level of deputy commander, superintendent and chief inspector. This meeting was held on 25 September and was chaired by Gen Sitthi Chirarot, the minister of interior. Various matters were discussed. In particular, the Commissioner's Office of the Provincial 4 has many problems. It had been recommended that the superintendent in one province be transferred since he was involved in an ore case. But the Police Department issued a resolution stating that he was to remain in his position. A committee was formed to investigate the matter. Besides this, the Commissioner's Office of the Provincial 3 has problems among old and new people and concerning appointments. Other than that, there aren't too many problems. But there are quite a few conflicts.

The report also stated that in this year's reshuffle, much money was spent to purchase positions. This has resulted in hardworking policemen losing all hope of being promoted since they don't have money or a "path." This has made police officials very upset and there might be a work slowdown.

A news source in the Police Department has observed that in using money to purchase positions this year, a "3-5-7" system was used. That is, a chief inspector had to pay 300,000 baht; a superintendent had to pay 500,000 baht; and a deputy commander had to pay 700,000 baht in order to request a transfer to a better post. In some cases in which the person was already in a good place, he did not want to be moved and so requested not to be transferred. "I know people went to a senior officer's house to make payments. But I can't reveal the identity of the person because she is the wife of a very senior person. I know that those who paid money got very good assignments," said the news source.

However, the police officials who paid money to purchase a position did not have to put up their own money. Merchants or influential people in the localities put up the money. This occurred all over the country. But not everyone was involved in this. Some people did not accept money, but they were transferred to very undesirable places. That is, they were transferred to remote areas. This has harmed both the police and the people alike. "We feel that the case of Police Private Bunchup, a policeman in Saraburi, is a good example. If we become strict about this sort of thing, such cases will be found all over the country," said one police officer.

11943

CSD: 4267/77

## MALAYSIAN SUPREME COMMANDER VISITS

Bangkok THE NATION REVIEW in English 17 Oct 84 p 3

[Text]

SONGKHLA — The Malaysian supreme commander visited the office of the Thai-Malaysian Regional Border Committee as part of his two-day official visit to observe the cooperation of the two countries in repressing the Communist Party of Malaya (CPM) and enhancing the standard of living of the people on both sides of the border, informed military sources said yesterday.

The sources said that the two-day visit was also aimed at deepening the understanding of authorities of the two countries and strengthen personal relations.

Gen Tansri Dato Mohd Sath was accompanied by a team of senior Malaysian officials, including the permanent secretary for interior and other military leaders in the orientation trip which will also take him to Narathiwat today to visit bilateral developmental projects.

The Malaysian supreme commander and his team were yesterday briefed on the situation of the CPM activities as well as military operations against the communist insurgents in the South during their visit to the office of the Re-

gional Border Committee.

The team was also briefed on the progress in the implementation of the bilateral developmental projects.

The supreme commander will today visit the project to build a new town on the common frontier in Tak Bai District of Narathiwat as well as the project to build a pier and a light house at the Tak Bai River. He is also scheduled to observe the demarcation of the common frontier in the South, according to the sources.

The Malaysian visitors were received by Gen Kris Cheecharoen, deputy chief-of-staff of the Supreme Command, who represented Supreme Commander Gen Arthit Kamlang-ek during the reception. Gen Kris led a team of Thai counterparts, who included Fourth Army Region Commander Lt Gen Wanchai Chitchamnong, Maj Gen Rat Thungpaisal, secretary of the Thai-Malaysian General Border Committee, Col Samart Pavilai, commander of the office of the Regional Border Committee.

CSO: 4200/152

PATHS TO RTA COMMISSIONED OFFICER STATUS DESCRIBED

Bangkok CHAT ATHIPATAI in Thai 7 Oct 84 pp 18-20

[Article by Sihanat: "Democracy In the Military"]

[Text] Actually, the matter of granting an extension to Gen Athit Kamlangek, the supreme commander and RTA CINC, should have died down after Gen Prem Tinsulanon, the minister of defense, issued a memorandum informing the army that he "approved" and that he would take action in accord with the law. If nothing happens according to the rules of the "three symbols," both sides will be happy.

But opinions on this, both for and against, continue to be aired. Some people support this and have pointed out why an extension must be granted. Ways of doing this have been suggested in order to have criteria so that this doesn't have to be done on an individual basis each time. All of this is interesting and worth considering. I agree with some of this but not all. But I do not like to see people arguing about this. And I am not concerned about whether an extension will or will not be granted.

I have brought up this matter in order to point out why it is (really) necessary, or said to be necessary, to take such action. The reason is that "enhancing rights" and "being fair" has been neglected in the army's troop administrative system in a democracy.

The military personnel in the army (I will talk about the army primarily since the navy and air force are similar) can be divided into three main groups:

The first group is composed of those in the lower ranks, that is, privates who were drafted in accord with the Government Service Act. They serve for a set length of time and are then discharged. They then serve in the reserves on a revolving basis every year. This also includes volunteers in certain special units who serve on an on-going basis in the lower ranks but who do not have to be discharged.



The second group is composed of the noncommissioned officers. These are leaders at the squad level. In certain cases, those with the rank of master sergeant can serve as platoon leaders. There are three ways for people to become noncommissioned officers:

1. They can attend a noncommissioned officers school of one of the branches.
2. If they are civilians with adequate educational qualifications, they can apply for one of the positions that are open to civilians. They are then given military training in accord with the regulations and conditions. After their training is completed, they are admitted into the military.
3. They can come from the ranks of noncommissioned officers [nai sip] on active duty. That is, draftees may become noncommissioned officers. During the period that they are on active duty, if they have the knowledge and capabilities, if their behavior is good and if they pass the tests in accord with the regulations, they can be appointed lance corporal, who are referred to as noncommissioned officers on active duty. When their tour of duty is up, they are discharged just like other privates. But they can volunteer to remain in the service and change their status to "regular" noncommissioned officer if the unit has a position open and wants that person. Once a person is a regular noncommissioned officer, he can climb up through the [noncommissioned officer] ranks and is considered to be a professional soldier.

The third group is composed of commissioned officers, that is, company and field-grade officers and general officers. These are the commanders from the level of platoon commander to supreme commander. Those with the rank of acting sublieutenant to field marshal are professional soldiers, and they are very important to the army since they have a very long time to mature in their positions. There are several paths to becoming a commissioned officer:

1. They may take the officers training course offered at the Chulachomklao Royal Military Academy, which is referred to as CRMA. Graduates of this academy are referred to as CRMA officers.
2. They may take the reserve officers course offered at CRMA. Graduates are referred to as reserve officers.
3. They may take the special officers course offered at CRMA. They are referred to as special officers.
4. They may take an officers' training course at a military academy here or attend a foreign military institute such as Sandhurst in England, the military academy in Germany that offers an accelerated program, or one of the military science institutes in the United States that offers training at the officer level.

Those who attend one of these foreign schools study for only 12 or 18 months. Civilians can take the entrance examinations to study at these schools. Children from wealthy families or children whose parents are stationed abroad and who have completed secondary school abroad often take the opportunity to study at one of these military institutions. In just a short time, they can become an officer. In the past, these people were referred to as the Sandhurst group. This was because formerly, most people preferred to study at Sandhurst. But now, people attend various schools in several different countries and so I don't know what they are called.

There are some who attend other schools after studying at CRMA. That is, they take the preparatory course here. When they complete the preparatory course, the government sends them to study at Sandhurst or some other academy in another country. When they return, they become officers before their [former] classmates. But they are still referred to as CRMA officers since they took the preparatory course there and were members of the preparatory class.

5. They may take military science courses and earn a bachelor's degree at a university. These people have to serve in that branch of the military for which they are qualified for 1 year. They are then discharged into the reserves. But if a person wants to become a professional soldier, he can put in a request to make this his profession. These people are referred to as military science officers. At present, there are very few such officers left on active duty. Usually, after their 1-year tour of duty they leave the military to work in the field for which they were trained. People who hold senior positions in the civilian sector but whose military rank is only sublieutenant or lieutenant are examples of military science officers.

Now, such officers are no longer being trained. The Territorial Defense Corps provides military science courses. When a person completes a course, he is given a rank and then discharged into the reserves. He does not have to serve on active duty for a year. Those who want to become professional soldiers can volunteer to join the military after receiving their bachelor's degree. They are made sublieutenants. But such people are considered to be members of group six below.

6. They may earn a bachelor's degree from a university or other educational institution, either here or abroad, that offers an equivalent degree. If they apply for a military position in accord with their qualifications and there is an opening for them, they will be given an officer's rank appropriate to their qualifications. These people are referred to as officers from the civilian sector.

7. They may come from the ranks of the noncommissioned officers. That is, they may be in government service and climb up through the noncommissioned officer ranks by virtue of their diligence and good behavior. They may frequently receive two-step promotions until they become senior master

sergeants who are qualified to become commissioned officers. Such people are initially given the rank of acting sublieutenant. They can then climb through the officer ranks. These people are called "NCO" officers, which refers to the fact that they were formerly noncommissioned officers.

Besides those NCOs who gradually work their way to the top, there are NCOs who become commissioned officers by upgrading their qualifications. This includes those who are ambitious enough to study at Ramkhamhaeng or Sukhothai university and who earn a bachelor's degree. After graduating, they continue to hold the rank of sergeant or staff sergeant. But when a position that is in accord with their qualifications opens up, they can apply for the position and request that their status be changed to commissioned officer. However, they are considered to be "NCO" officers, too.

People jokingly say to them, "Hey, you, too, are 'CRMA' officers." But here the initials stand for "NCOs serving as officers."

All commissioned officers, regardless of how they become officers, have the right to increase their knowledge so that they can advance to command positions at higher and higher levels. For example, they must take the company-grade officers course before they can become a company commander. They must take the field-grade officers course before they can become a battalion commander. Even after they reach the level of regiment or division commander, there are still institutes that they can attend to increase their knowledge of military science, politics and other subjects. Such institutes include the Army College and the National Defense College.

There is one educational institution that is considered to be a junction point for officers in all branches of the service and that is the staff school. This school admits officers from all branches who have completed their branch's field-grade officers course. Those officers who complete the training at the staff college are considered to have knowledge about all branches. They are able to consider the total situation and formulate combat operations plans. They have "facts and figures" on everything in their heads. These are the people who formulate ideas and carefully plan stages of operation so that commanders can make decisions and issue orders. These people are referred to as "staff officers."

Officers who graduate from the staff school have great opportunity for advancement. They are not limited to advancing just within their particular branch. Within a particular branch, they are limited to becoming the head of the branch with the rank of major general or lieutenant general. Only in certain branches can a person hold a position in a department at the center or become a high-level commander.

After this juncture, officers split into two streams. Those who did not attend the staff school can rise as unit commanders. For example, they can work their way up from regiment commander to division commander,

deputy commanding general and then commanding general [of an army area]. This is known as the command line. But this line has limitations depending on the branch and the arrangement of units within the branch. For example, the combat branch, which includes the infantry, cavalry and artillery, has a large number of regiments and divisions. There are many slots for officers in this line. But in the combat support branches such as the engineers, communications and transportation, the units are arranged as operations support lines and not as regiments or divisions. And so there are fewer high-level positions. The highest position in a branch is that of director.

The other group consists of those who graduated from the staff school. These people are said to be in the "staff line." These officers can advance in several ways. They can advance in the staff line directly, from a position in a regiment to the position of chief of staff. Or they can advance in their original branch by taking the place of those in the command line. They can jump from the staff line into a command position that is higher than the limitation of the combat branch, that is, from the level of army area commander to RTA CINC or supreme commander. This is the path used by those in combat support branches who want to rise to high positions. For example, Gen Han Linanon, who was a transportation officer, rose to become the commanding general of an army area. Gen San Chitpatima, who was a communications officer, rose to become the commanding general of an army area and the deputy RTA CINC. Gen Prayut Charumni, who was an engineer, became RTA CINC.

Thus, officers in all branches want to study at the staff school in order to have a greater chance to advance. Those who have studied at this school are very proud.

The army feels that all commissioned officers who have decided to make the military their career--by not resigning their commission or not being dismissed for some reason--should be allowed to remain in government service as "regular officers" of the army. And they are entitled to receive respect and should be treated equally as stipulated in the laws, rules and regulations.

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THAILAND

DISPUTED VILLAGES' RESIDENTS GET MILITARY TRAINING

Bangkok MATICHON in Thai 25 Sep 84 pp 1, 16

[Article: "Third Army Area Trains Volunteer Defense Corps to Oppose Laos"]

[Excerpt] The Third Army Area is training 40 VCD members in the three border villages in Uttaradit. It has given them shotguns so that they can deal with Lao [forces] if they are harassed. Those who like this work can become thahan phran irregulars.

Maj Gen Sathor Suwannapha, the commander of the 1st Cavalry Division, made a statement on the afternoon of 24 September at the Army Club when he brought VDC members from three border villages in Uttaradit Province to pay their respects to Gen Thienchai Sirisamphan, the assistant RTA CINC. He said that about 2 months ago, the Third Army Area began training VDC members in the three border villages of Ban Mai, Ban Klang and Ban Sawang in Bobia Subdistrict, Ban Khok Branch District, Uttaradit Province.

These are the first people from these three villages to be given such training. Forty people are receiving training. Those receiving training include the village headmen, assistant village headmen, teachers and villagers from these three villages. They have almost completed their training.

Maj Gen Sathon said that these VDC members are being trained so that they can defend themselves. The Third Army Area will provide those who have received training with various types of weapons, such as shotguns. Those who like this work will later be turned into thahan phran irregulars and assigned to these three villages. He also said that construction on a main road from Nan Province to Uttaradit Province has now been completed. This road will be opened on 30 September.

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## THAILAND

### SECRETARY TO SUPREME COMMANDER PROFILED

Bangkok MATICHON SUT SAPADA in Thai 14 Oct 84 p 42

[MATICHON People column: "Maj Gen Kamon Udomsilapa, the Secretary to the Supreme Command Headquarters"]

[Text] He was born on 6 January 1936 in Khok Kruat Subdistrict, Muang District, Nakhon Ratchasima Province. He is the son of Colonel Phraya Prasitthisalakan and Mrs Nu Udomsilapa.

He completed primary school at Sukit Witthayalai School. He attended secondary school at Sirisat School. He then entered the Office Preparatory School. He graduated from the Chulachomklao Royal Military Academy in 1961 as a member of Class 8. the same class as several well-known officers, such as Maj Gen Naritdon Detchapradit, the secretary of the army, Col Yuthasak Sosiprapha, the deputy commander of the 1st Kings Guards Division, Col Wattana Sanphanit, the deputy commander of the 1st Kings Guard Division, Col Banthit Malaiarisun, the commander of the 1st Kings Guards Infantry Regiment, and Col Phet Wattanaphuti, the commander of the 11th Kings Guards Infantry Regiment.

Police officers who were in the same class include Police Maj Gen Sawat Amonwiwat, the deputy commissioner of the Metropolitan Police, Police Maj Gen Sanong Wattanawarangkun, the assistant commissioner of the Provincial 1, and Police Maj Gen Chumphon Athasat, the assistant commissioner of the Provincial 4.

He entered government service in 1961, serving as a platoon leader with the 11th Kings Guards Infantry Regiment. He served with this regiment until he became the commander of a heavy weapons company. After that, he served along the border during the years 1968 and 1969. On his return, he attended the Army Staff School, Class 48.

When he graduated from the Army Staff School in 1971, he was made an assistant operations officer with the 3rd Infantry Division in Nakhon Ratchasima. In 1973, he was made the commander of the 2nd Battalion, 23rd Infantry Regiment. In 1978, he became the deputy commander of the 23rd Infantry Regiment. In 1981, he was appointed commander of the 23rd Infantry Regiment.



In 1982, he was made the deputy commander of the 6th Infantry Division. He also served as the deputy commander of the Suranari Force. On 11 July 1984, he was made a staff officer attached to the commander and then made secretary of the Supreme Command Headquarters.

He is married to Phongphan. They have one daughter, Miss Phimkamon, who is a senior at Bangkok College, and one son, Sayam, who is in Grade 2 at Samitichot School.

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## THAILAND

### BRIEFS

LABOR PROSPECTS IN LIBYA--Libya is replacing Saudi Arabia as Thailand's largest labor market. The reason for this has to do with international politics. At a conference attended by representatives from the Labor Department, Ministry of Interior, the foundation to Aid Thai Laborers Abroad and the Association of Doctors to Examine Thai Workers Going Abroad, Mr Prasit Chaityathongphan, the director of the Administrative Office for Thai Laborers Abroad, said that at present, Libya is becoming Thailand's largest labor market. If the present trend continues, it will replace Saudi Arabia as our largest labor market. The reason for this is that international politics has given Thai laborers a chance to go there in place of laborers from other countries. [Text] [Bangkok SIAM RAT in Thai 2 Oct 84 p 11] 11943

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